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East Asia

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Problems in Establishing AFTA Examined

BK2110023292 Bangkok THE NATION in English 21 Oct 92 p B1-B3

[Article by Thanong Khanthong and Chirawat Na Thalang in Manila entitled: "Cracks Show As Meet on AFTA Starts Minus Anan"]

[Text] Thanks to Anan Panyarachun, the former prime minister, economic ministers of the Association of Southeast Asian Nations have escaped yet another year of boredom.

Starting today they will be toiling with the task of creating a regional free trade area that will encompass 320 million consumers. Anan is credited with putting forward the notion of the ASEAN Free Trade Area [AFTA]. Without AFTA, the ASEAN economic ministers would have plunged into an exercise of futility, drumming up the rhetoric of regional cooperation without any significant achievement.

To an average Thai, AFTA can easily misconceived as another brand of aspirin. Although this is no excuse for failing to keep up with the changes in the world, the creation of the regional free trade area is going to significantly affect people's lives. This AFTA exercise is to send Thailand deeper into economic integration with its competitive neighbours. We have been told that it will be good for the Thai economy. Yet the question is: Is there an extensive public debate or sufficient consultation with the private sector over the AFTA course?

The absence of a mandate from the public or sufficient sectoral consultation makes it look as if the ASEAN leaders are taking their countries down the road of uncertainty without telling the people how rough it is. The public and private sectors seem to live in separate worlds. The US held more than 2,000 consultations with the private sector before coming up with its list of products for tariff cuts under the North American Free Trade Agreement with its northern and southern neighbours.

The attitude of most ASEAN leaders is that they know best what is good for their countries. At the 1992 ASEAN Summit in Singapore they agreed that they would place as many manufactured products into the AFTA scheme as possible to boost intra-ASEAN trade and attract foreign investment to the region. When it comes to practice, they run into the snag of drawing up their lists of products. They have more exclusion lists behind their backs.

Due to the different levels of economic development, negotiations are divided into two camps. Singapore and Brunei, which have nothing to lose, want tariff reductions among the ASEAN members to take place as soon as possible, while Thailand, Indonesia and the Philippines drag their feet and try to extend the 15 year period for tariff reductions set out in the AFTA agreement.

Nobody seems to question what comes after the year 2008. What is the vision for ASEAN in the year 2008? Most ASEAN leaders and bureaucrats have a broader vision for the future of this regional grouping. Over the past 25 years, since the inception of ASEAN, they have wasted more time talking than doing.

The 1980s saw the Cambodian conflict as the main item on the agenda. It is questionable whether the easing situation in Cambodia, whose bitter internal conflict is far from over, is ASEAN's achievement or the end of Superpower rivalries in the region. Nevertheless, ASEAN self-indulgently congratulates itself with a job well done and turns its eye to intra-economic cooperation. AFTA seems to be the new toy for ASEAN.

AFTA was the vision of Anan, who wanted to keep and attract foreign investment in ASEAN after witnessing foreign investors moving their capital to other parts of the world. By bringing down tariff barriers and creating more incentives, the rationale was that the volume of foreign investment would increase and help to drive the ASEAN economy as a whole.

The problem now is that after Anan, most of the ASEAN leaders fail to see AFTA as he did. Instead of trading off products to rush for the AFTA creation, they are fighting over the lists for protection in their home countries. Political realities back home are preventing them from pushing AFTA ahead in a grand manner.

Thailand is no good guy at this year's two-day ASEAN Economic Ministerial Meeting. It launched the AFTA Council, a body to supervise the creation of the regional free trade area, in Bangkok September 1992. But now it has called for the meeting of the AFTA Council to be postponed because of internal politics, causing confusion among the other ASEAN members.

The other day the host country, the Philippines, was obliged to issue a statement to clear the confusion by agreeing to postpone the AFTA Council to early November at Thailand's request. This was to the satisfaction of the rest of ASEAN, which wants the AFTA Council to function under the ASEAN economic ministers. Thailand has insisted that the council should report to the heads of governments.

Indonesia wants the council to be called the Common Effective Preferential Tariff (CEPT) because it launched this scheme as a mechanism to bring down tariff barriers within ASEAN. So it should be called the CEPT Council. Thailand, on the other hand insists that the body should be called the AFTA Council, which is different from the CEPT Council.

Thailand has argued that the AFTA Council should be a policy- making body reporting to the heads of governments and the CEPT Council should be a body overseeing tariff reduction under the ASEAN economic ministers. The rest of ASEAN think that there should be only one body—either the CEPT Council or the AFTA Council but it should function under the economic ministerial level.

This public relations fight over the AFTA body exemplifies ASEAN's genius in preoccupying itself with trivialities. But that is it. We should hope that there is a clearer policy from ASEAN regarding its future. Tariff reductions to create the regional free trade area might be the first tangible step. But what next?

'Key Details' Worked Out To Create AFTA

BK2110022792 Bangkok BANGKOK POST in English 21 Oct 92 p 2

[Text] ASEAN's senior economic officials ended two days of talks here yesterday with an announcement key details had been completed for creating an ASEAN Free Trade Area (AFTA). The details will be submitted to the group's economic ministers at their meeting tomorrow.

Even the difficult question of which country would exclude what goods from the first phase of lowered trade barriers had been settled, said the meeting's chairman, Philippine Trade and Industry Department official Edsel Custodio. And he pledged that the first phase of lowering barriers to trade within ASEAN would definitely begin on January 1. He refused to give details of the exclusion lists, but insisted the outcome would be "substantial" trade liberalisation within AFTA.

"There is no more bargaining. There is a list that is going to be (submitted for approval) by the ASEAN economic ministers," he said. But other officials were not so confident that exclusions from free trade had been settled.

Commerce Ministry Inspector-General Karun Kittisathaphon said the meeting had only acknowledged each country's request lists and that further amendments might be sought once the ASEAN members had scrutinised each other's lists.

The meeting also approved plans for reforming ASEAN's institutions, including how to transfer decisions on economic cooperation from various committees that have been abolished under a decision reached by the ASEAN heads of government at their summit in Singapore in January.

Responsibilities previously held by the committees on trade, banking, agriculture, industry and transport have now been transferred to the formal Senior Economic Officials Meetings (SEOM) which will now meet every two months in Jakarta at the ASEAN secretariat. The senior officials will have fuller powers to make decisions and, by meeting in Jakarta instead of rotating through ASEAN's capitals, this will also allow the secretariat to play a greater role.

Thailand remained a focus of attention. Mr Custodio said the decision to postpone today's scheduled meeting of the ministerial AFTA Council was because of Thailand's constitutional procedures.

A Philippine journalist asked whether he believed Thailand's reasoning or thought it was an excuse.

"I think it is a very valid point. The Thai Government is a new government and it has to be formalised," he said. Mr Custodio said there were no problems with the status of the AFTA Council or how the responsibilities would be shared between ASEAN economic ministers. The only difference was that other countries would appoint junior ministers to the council while Thailand would appoint the finance minister.

When asked to comment on Thailand's insistence that the AFTA Council should work independently and report only to the ASEAN heads of government instead of the economic ministers, Mr Custodio replied by asking: "Who told you?" Thailand's standing in this week's troubled meetings could suffer a further blow with the announcement that Deputy Prime Minister Suphachai Panitchaphak, who heads the delegation, will not arrive in Manila until midday tomorrow after the ASEAN Economic Ministers' (AEM) meeting has begun.

One of the most difficult subjects discussed yesterday was how to decide whether a product is an agricultural raw material or a processed agricultural product.

According to the AFTA agreements signed at the January summit, agricultural raw materials are automatically excluded from AFTA. If a country wants processed products excluded, it has to make a special request.

The Philippines submitted a paper known as "Broad Economic Categories", based on UN studies, which will be used to make the distinction. Mr Custodio said the paper was uncontroversial and all that remained would be for ASEAN members to decide which processed farm products they wanted excluded. However Mr Karun said more than that needed to be settled. One problem was the definition of rice, which according to the document is "processed" as soon as it is milled. Thailand would object to that definition, he indicated.

Indonesia has also been a staunch opponent of an agreement which would force it to end its periodic rice import bans. Mr Karun described the discussions on tariff reductions as an exchange of information rather than decision-making, partly because the proposals were incomplete or in forms that were diffficult to compare and therefore needed further study.

In order to settle first steps towards AFTA, each ASEAN member has to announce what it is going to do with four groups of products:

—The schedule for tariff cuts and other measures for the 15 products designated for accelerated liberalisation,

—The schedule for other products whose present tariff rates exceed 20 percent,

—The schedule for other products whose present tariff rates are below 20 percent, and

—The list of products that will be excluded from these schedules.

Mr Karun said all ASEAN members had submitted schedules for accelerated tariff reductions and exclusion lists and two ASEAN members had announced they would not implement accelerated cuts on all the products in the 15-product group list. But schedules for non-accelerated tariff cuts were incomplete, he said.

Also discussed were how to proceed with the Malaysian proposal to establish an East Asian Economic Caucus, China's request to establish formal dialogues with ASEAN, and how to settle the division of labour between economic and foreign affairs ministers and officials on such issues as dialogues with the United States where both security and trade conflicts feature prominently.

Japan

Concern Voiced on Exclusionary Nature of NAFTA

OW1710011392 Tokyo KYODO in English 0051 GMT 17 Oct 92

[Text] Toronto, Oct. 16 KYODO—Japan's trade minister Friday expressed concern about the impact of the North American Free Trade Agreement (NAFTA) on countries outside the proposed free-trade zone.

Japanese officials said International Trade and Industry Minister Kozo Watanabe outlined his concern in a meeting with Canadian International Trade Minister Michael Wilson Friday evening.

Watanabe arrived in Toronto earlier Friday to attend a quadrilateral conference with trade ministers from Canada, the United States, and the European Community over the weekend.

The United States, Canada and Mexico initialed the North American free-trade pact earlier this month.

The agreement, which is pending approval by the legislatures of the three countries, will remove tariffs among the three countries, creating the largest free-trade zone in the world.

Watanabe told Wilson that Japan is concerned that the NAFTA pact would turn the North American market into an exclusionary trading bloc as a result of tariff gaps between NAFTA and non-NAFTA countries.

Later at a reception for Watanabe, Wilson said he believes the NAFTA will make Canada "a more attractive place to invest."

At his meeting with Wilson, Watanabe urged Canada to cut tariffs levied against non-NAFTA countries, Japanese officials said.

The officials said Japan is particularly interested in a lower Canadian tariff on auto imports, currently set at 9.2 percent.

Wilson promised to send senior officials to Japan in November for talks on auto trade, Japanese officials said.

On his part, Wilson urged Japan to remove import tariffs on spruce timber, a major Canadian export to Japan.

Wilson told Watanabe that Canada wants the tariff removed because spruce competes with U.S.-produced hemlock timber, which enters Japan duty-free.

Japan currently levies an 8 percent tariff on spruce. Canada sold 715,000 cubic meters of spruce to Japan in 1991.

Watanabe made no immediate commitment, noting that Japan is addressing the tariff issue through the multilateral Uruguay Round trade talks.

Japan, which applies a 10 percent tariff on timber imports on average, has offered to cut the duty rate by 40 percent as part of tariff cuts being negotiated at the Uruguay Round of trade talks.

'Fortress North America' Warning

OW2110063692 Tokyo KYODO in English 0529 GMT 21 Oct 92

[Text] Tokyo, Oct. 21 KYODO—Prime Minister Kiichi Miyazawa called on members of the North American Free Trade Agreement (NAFTA) Wednesday to avoid becoming a "fortress North America," a Foreign Ministry official said.

Southeast Asian nations have expressed concern that NAFTA may turn North America into a fortress, Miyazawa was quoted as telling a visiting Canadian delegation.

NAFTA should conform with the international trade rules established under the General Agreement on Tariffs and Trade (GATT), Miyazawa was reported saying.

The United States, Canada, and Mexico agreed earlier this year to eliminate tariffs in trade and create the world's largest free-trade region.

Miyazawa made the comments to Canadian business and political leaders participating in Japan-Canada Forum 2000.

The 24-member forum, co-chaired by Yoshio Okawara, former Japanese ambassador to Washington, and Peter Loughheed, former premier of Alberta, is drawing up a report on bilateral economic and political relations, and international cooperation into the 21st century.

The forum's recommendations are to be submitted to leaders of the two countries in December.

Miyazawa said he plans to consult with Canadian Prime Minister Brian Mulroney on how to implement the suggestions, the official said.

MITI Head Briefs Miyazawa on GATT Talks

OW2010134592 Tokyo KYODO in English 1325 GMT 20 Oct 92

[Text] Tokyo, Oct. 20 KYODO—International Trade and Industry Minister Kozo Watanabe on Tuesday [20 October] suddenly returned to Japan on his way to Indonesia from Canada to brief Prime Minister Kiichi Miyazawa on a two-day trade meeting that ended Sunday in Toronto.

The meeting was held among trade ministers of Canada, the United States, the European Community, and Japan.

Watanabe said at a press conference he reported to Miyazawa the findings of the quadrilateral meeting, particularly the progress of the Uruguay Round of multilateral trade talks.

"I was worried about whether or not the prime minister had been informed 100 percent on the information I told reporters (in Toronto)," Watanabe said.

Watanabe told Miyazawa it was his impression that the United States and the European Community (EC) would make substantial progress in their dispute over farm subsidies in a matter of days.

Watanabe said he strongly asked the other trade ministers to hear Japan's voice in the negotiation process. Japan opposes the proposed plan for tariffication without exception.

Watanabe said Japan will make every effort to wrap up by the end of this year the stalled talks under the General Agreement on Tariffs and Trade (GATT), but will do its best to gain understanding from other negotiating nations on its position to the rice issue.

Asked about the possibility of meeting members of the Liberal Democratic Party's largest faction founded by former Prime Minister Noboru Takeshita with regard to the selection of a faction leader, Watanabe denied any scheduled meeting. He added, however, he would not reject visitors at his office or hotel where he plans to stay tonight.

Watanabe is one of senior members of the Takeshita faction.

He was scheduled to go to Indonesia and then the Philippines, via San Francisco and Hong Kong, to meet his counterparts of the Association of Southeast Asian Nations (ASEAN) on the occasion of their trade ministerial meeting scheduled for Saturday.

He will stay in a hotel near the international airport and depart for Indonesia Wednesday.

Tokyo, Russia Agree To Establish Reactor Center

OW1210122092 Tokyo KYODO in English 1112 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—Japan has agreed with Russia to set up a technical center at a nuclear power station site in Novovoronezh, Russia, to help improve the safety of reactors in former Soviet republics, officials of the Natural Resources and Energy Agency said Monday.

The governments of the two nations will sign a memorandum early next year, the officials of an arm of the International Trade and Industry Ministry said.

The agreement followed bilateral negotiations by ministry officials and representatives of private companies during a visit to Russia late last month, they said.

The site, located some 400 kilometers south of Moscow, is typical of the former Soviet Union's pressurized water reactors, they said.

Japan promised to provide Russia with a 25 million dollar grant for the establishment of the new center at the July summit of the Group of Seven industrialized nations in Munich, they said.

The ministry plans to produce central control boards from next fiscal year so that the center can start a training program in 1995, they said.

Customs To Seize Counterfeit Famous Brand Goods

OW1210082992 Tokyo KYODO in English 0737 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—The Finance Ministry published Monday a list of fake top-brand products which would be subject to seizure at customs.

The fake items, totaling 52 in number, included Louis Vuitton and Chanel bags, Levi's jeans, Old Parr whiskey, Mickey Mouse wristwatches, and even children's clothing bearing the design of Japanese comic character "Chibimaruko-chan."

The list, compiled on the basis of complaints from trade mark and patent holders, will be revised every three months, ministry officials said.

This is the first time that such a list has been published in Japan.

The officials said counterfeit products would be seized at customs even if the traveler or importer is unaware they are fake.

About 3,500 fake brand items brought into Japan by travelers are now seized annually at customs, while the number of cases in which the ministry rejected such imports increased to 1,274 in 1990 from 100 in 1986, the officials said.

Miyazawa Stresses Responsibility for World Peace

OW1110055892 Tokyo KYODO in English 0504 GMT 11 Oct 92

[Text] Tokyo, Oct. 11 KYODO—Prime Minister Kiichi Miyazawa stressed Japan's responsibility and qualifications Sunday for helping create peace in the post-cold war international community.

Miyazawa said Japan, which has maintained pacifism and foreign policies centered on the United Nations throughout the post-World War II period, has the responsibility and qualifications to establish a new world order.

Speaking at the review ceremony of the Maritime Self-Defense Force in Sagami Bay, south of Tokyo, Miyazawa said now that East-West confrontation is over, the world is generally heading toward meeting mankind's desire for global peace.

However, he said there are still many unstable elements around the globe, citing the possibility of more ethnic conflicts.

The prime minister said Japan will continue striving to build up a moderate defense capability and maintain its mutual security arrangements with the United States in order to ensure Japan's security.

He also expressed strong hope for Self Defense Forces activities in Cambodia to help U.N. peacekeeping operations.

Fifty-two warships and submarines and 54 airplanes took part in the naval review, the first in three years.

Shikotan Residents Petitioning Yeltsin on Casino

OW1210082892 Tokyo KYODO in English 0716 GMT 12 Oct 92

[Text] Sapporo, Oct. 12 KYODO—Russian residents of an island claimed by Japan are petitioning President Boris Yeltsin to put the disputed island under his direct control to block an international casino and hotel development.

Reporters returning Monday from Shikotan Island off Hokkaido obtained a draft copy of the petition, which criticizes Sakhalin Governor Valentin Fedorov, whose district has jurisdiction over Shikotan and three other islands that Tokyo claims.

Residents expressed anger over recent reports that the Sakhalin Government has leased part of Shikotan to a Hong Kong company that plans to build a vast hotel and casino complex.

The islanders said they feel they are being "plundered" by the deal between the Russian far east state and the Hong Kong firm.

In the petition they complain of high commodity prices and shortages of fuel, food and manufactured goods, saying profits from processed marine products, the island's main source of income, are not used to benefit the islanders.

The reporters joined a group of 45 Japanese visitors to the island, including 25 former Shikotan residents. They returned from a visa-free trip through the Hokkaido port of Nemuro after visiting the proposed development site.

Natalya Volkova, a 30-year-old junior high school teacher on Shikotan, said the petitioners began their movement in mid-September with the distribution of a draft petition among factories and schools.

Japan claims Shikotan, Kunashiri and Etorofu islands and the Habomai islets, which the Soviet Red Army seized from Japan at the end of World War II.

The Japanese Government filed a protest in early September with Moscow against the Shikotan deal, which involves the firm Carlson and Kaplan Ltd., whose Hong Kong representative is Bunko Ye, a Japanese of Chinese descent.

Russian Moratorium on Nuclear Tests Welcomed

OW2010123092 Tokyo KYODO in English 1159 GMT 20 Oct 92

[Text] Tokyo, Oct. 20 KYODO—Japan welcomes Russian President Boris Yeltsin's decision Monday to extend Russia's moratorium on the testing of nuclear weapons for another eight months, a Foreign Ministry spokesman said Tuesday.

Spokesman Masamichi Hanabusa told reporters that Russia's decision to extend the moratorium until July 1, 1993 is "consonant with the recent noteworthy trend toward a nuclear test ban."

The U.S. Congress earlier this month pressed U.S. President George Bush to suspend nuclear tests until July 1993. The suspension is to be operable on the condition no other country makes nuclear explosions within that time.

Former Soviet President Mikhail Gorbachev announced a one-year unilateral moratorium which took effect in October 1991 and was to last one year.

Hanabusa said Japan hopes the Russian moratorium "will long [as received] be maintained beyond July of next year."

Soviet 1972 Offer To Return Two Islands Noted

OW2010093892 Tokyo KYODO in English 0916 GMT 20 Oct 92

[Text] Moscow, Oct. 20 KYODO—Soviet Foreign Minister Andrey Gromyko offered the reversion of two disputed islands to Japan in 1972 in seeking to secure a peace treaty with Tokyo, according to official documents made available Tuesday [20 October] to KYODO News Service.

In a meeting with then Foreign Minister Masayoshi Ohira, Gromyko proposed the conditional return of Shikotan and the Habomai islets, in reviving a deal first embodied in an abrogated 1956 agreement between Tokyo and Moscow, transcripts of the dialogue obtained by KYODO reveal.

The documents also suggested that then Prime Minister Eisaku Sato was interested in the proposal, coming a year after the reversion of Okinawa to Japan from the United States.

Former Ambassador to Japan Nikolay Solovyev, who served as translator to the Gromyko meetings, told KYODO that the proposal met stiff opposition from the Soviet military then and did not meet Tokyo's demands for the return of all the islands.

The proposal faded and died the next year when Prime Minister Kakuei Tanaka visited Moscow, said Solovyev, currently in charge of Asian and Pacific affairs for the Russian Foreign Ministry.

The transcripts are the first official documents to confirm that the now-defunct Soviet Union was ready to return two of the islands to Japan, although the old Soviet Foreign Ministry acknowledged it to the Supreme Soviet in October 1991.

Meanwhile, in Tokyo on Tuesday, the Foreign Ministry denied there had ever been a concrete proposal for the reversion of the two islands, adding that it is impossible that Japan could have been "eager" at the time for the proposal.

One ministry source said that since negotiations between Japan and Russia are currently under way over the fate of the islands—Etorofu, Kunashiri, Shikotan, and the Habomai group of islets—it is not possible to reveal the contents of the talks.

While Tokyo has long demanded the return of all four of the so-called "northern territories," it has more recently suggested it would discuss the timing and conditions of the reversion if Moscow recognizes Japan's sovereignty over the disputed islands.

In the early 1970s, the Kremlin officially maintained that there was no dispute over the islands that the Soviet military overran at the end of World War II.

But Moscow also sought improved relations with Tokyo, apparently wanting to avoid being left out of a rapidly changing order in Asia brought about by a surprise visit to Beijing by U.S. President Richard Nixon and the normalization of Japan-China ties.

According to the transcripts, Gromyko told Sato on January 27, 1972, Moscow could consider resolving some of the facts and statements made after the 1956 Japan-Soviet joint declaration on the basis of the declaration if it was linked to the conclusion of a peace treaty.

Gromyko proposed the reversion of the two islands and suggested he would withdraw a 1960 memorandum on Japan which had linked the return of the islands with the withdrawal of U.S. troops from Japan.

Sato noted differences in the positions of the two countries and said he "could not agree right away."

Solovyev said that, at the time, Soviet officials had the impression the prime minister was interested in the proposal.

Watanabe Receives Message From Deng Xiaoping

OW2110102992 Tokyo KYODO in English 1021 GMT 21 Oct 92

[Text] Tokyo, Oct. 21 KYODO—China's paramount leader Deng Xiaoping has welcomed Emperor Akihito's visit to China starting Friday [23 October], Foreign Minister Michio Watanabe said Wednesday.

Watanabe told KYODO News Service that Deng sent him a message through undisclosed channels saying he "will be waiting for" the emperor.

Watanabe, who is also vice premier, said in an interview he does not know if the emperor will meet Deng.

But his remarks were regarded as hinting that the emperor may have a chance to see Deng in either Beijing or Shanghai, diplomatic sources said.

Emperor Akihito and Empress Michiko will make an official visit to Beijing, Shanghai, and the ancient capital of Xian from Friday to October 28. It will be the first visit by a Japanese emperor to China.

Watanabe will head the imperial entourage.

As to the emperor's expected remarks regarding Japan's aggression against China before and during World War II, Watanabe said the emperor "will touch on (the issues) in some shape."

But expressing displeasure with an intensifying public focus on whether the emperor will apologize on behalf of Japan, Watanabe said only, "the emperor's feeling will be delivered naturally."

Brushing aside concerns in some Western countries that the visit could be seen as condoning Beijing's human rights record, Watanabe said that "the emperor will not be involved in politics."

After Beijing cracked down on pro-democracy protesters in Tiananmen Square in June 1989, activists increased their opposition to China's handling of human rights, and they see the emperor's visit as Japan's acknowledgment of the status quo.

Bomb at Shrine Believed Linked to PRC Visit

OW2110074192 Tokyo KYODO in English 0722 GMT 21 Oct 92

[Text] Matsue, Oct. 21 KYODO—Police discovered a small time bomb within the compound of Izumo Shrine in Taisha, Shimane Prefecture, on Tuesday [20 October] night, police said Wednesday.

The device was found near the entrance to a public toilet close to an open-air stage at the shrine compound, they said.

Police believe the bomb was planted by extremists opposed to the emperor's visit to China, since Izumo, one of the nation's most important Shinto shrines, has close connections with the imperial family.

According to investigators, the bomb was packed into a rectangular can 20 centimeters long, 9 cm high, and 11 cm wide together with a dry battery and a white fuse.

The god of Izumo has traditionally been regarded as the god of marriage, good fortune, and agriculture.

Alarmed by the incident and increasing terrorist activities throughout the country, police have tightened security around the shrine, they said.

Foreign Reports on Emperor's Apology Criticized

OW2110103492 Tokyo KYODO in English 1015 GMT 21 Oct 92

[Text] Tokyo, Oct. 21 KYODO—Top government spokesman Koichi Kato said Wednesday [21 October] that foreign media reports stating Emperor Akihito will not apologize to China during his visit this week do not accurately portray Japan's position.

"The purpose of the emperor's visit to China is not to issue a new apology, but to promote Sino-Japanese relations," Chief Cabinet Secretary Kato told a news conference.

"It is possible that he will make remarks about history and Sino-Japanese relations that invoke previous statements," Kato said.

He said that foreign media reports stating the emperor would make no apology during his October 23-28 trip were not based on "an accurate understanding of what we are thinking."

Kato declined, however, to answer a query on whether the emperor's previous statements on Japan's wartime aggression could be considered as "apologies." He said such a discussion is not possible because it would require disclosing the planned statement.

The government, in announcing the unprecedented visit, assured conservative politicians that the emperor would not be forced to apologize. Beijing has not asked for an apology, Japanese officials said.

Officials have kept under wraps the contents of a government-prepared speech touching on wartime aggression that Emperor Akihito will deliver at a banquet in Beijing after his arrival Friday for a six-day visit.

Foreign Ministry spokesman Masamichi Hanabusa told foreign correspondents Tuesday that Emperor Akihito will "touch on" the past during his banquet address, but that the "banquet is not an occasion to make an apology."

During a visit to Southeast Asia last year, Emperor Akihito said Japan would never repeat the "calamity of the unfortunate war."

In 1990 he expressed "deep regret" to South Korean President No Tae-u for the suffering of the Korean people during an "unfortunate period," apparently referring to Japan's 1910-45 colonial rule over the Korean peninsula.

When Japan and China established diplomatic ties in 1972, Japan said in a joint communique that it "deeply reproaches itself" for its past actions.

The emperor's expressions on Japan's adventurism in China in the 1930s and 1940s will be closely scrutinized in capitals around Asia.

Emperor Akihito, in whose father's name the Japanese Imperial Army invaded Manchuria in the 1930s and later swept over other parts of China, will be the first Japanese emperor ever to visit China.

SRV Minister Expressses Hope for Renewed Aid

OW1410072392 Tokyo KYODO in English 0635 GMT 14 Oct 92

[Text] Tokyo, Oct. 14 KYODO—The process of normalizing Vietnam-U.S. ties will likely be accelerated in the wake of high-level talks between the two countries last Thursday, Vietnamese Foreign Minister Nguyen Manh Cam said here Wednesday.

"As long as efforts are made by both sides, the speed is bound to pick up," Cam told reporters in a news conference just prior to his departure for Hanoi after a four-day stay in Tokyo.

"We have been doing all we can to expedite this process," the foreign minister said, adding with regard to the actual timing of normalization, "the ball is now completely in the U.S. court."

Cam was in Tokyo for a stopover en route home from the United States, where he attended the start of the 47th United Nations general assembly and met in Washington with acting Secretary of State Lawrence Eagleburger and Defense Secretary Richard Cheney.

The talks, which were placed under a shroud of secrecy, represented the highest-level contact this year between the two countries.

Cam said the U.S. officials called on Vietnam to extend full cooperation to account for over 2,000 U.S. servicemen listed as missing-in-action (MIA) from the Vietnam war, a condition Washington has imposed for a normalization of ties and the lifting of a crippling trade embargo in place since 1964.

The 63-year-old veteran diplomat said that while Vietnam opposes in principle that attachment of conditions, it intends to continue cooperating on the MIA issue "from a humanitarian standpoint."

He said the U.S. in turn should make efforts expedite the normalization process, including lifting the embargo.

Cam expressed hope for an early resumption of full-scale Japanese economic assistance, suspended in 1979 in the wake of Vietnam's December 1978 invasion of Cambodia to oust the Khmer Rouge government in Phnom Penh.

Attaching priority to its ties with the U.S., Japan has held back on a resumption of major loans so as not to undermine Washington's efforts on the MIA issue.

Observers say that Japan, while anxious to unfreeze the aid, recognizes that the MIA issue is now an emotive and political one, especially since presidential candidate Ross Perot and other figures have suggested some missing U.S. soldiers are still alive in Indochina.

Foreign Ministry officials have indicated Japan will end the suspension after the November 3 presidential and congressional elections in the United States.

Officials declined to brief reporters on the substance of Cam's talks Tuesday on the aid resumption issue with Japanese Foreign Minister Michio Watanabe. Cam also excused himself from comment.

Touching on the situation in Cambodia, Cam told reporters it is regrettable that the Khmer Rouge guerrilla group is refusing to abide by last October's Paris peace accords.

He urged the international community to apply greater pressure on the Khmer Rouge to rejoin the peace process, saying elections planned for next May should go forward as scheduled if the faction remains intransigent.

ROK Fishing Captain Receives Suspended Sentence

OW1410044892 Tokyo KYODO in English 0419 GMT 14 Oct 92

[Text] Kitakyushu, Fukuoka Pref., Oct. 14 KYODO—The Kokura branch of the Fukuoka District Court on Wednesday handed down a two-year suspended jail sentence and an 800,000 yen fine to the captain of a South Korean fishing boat for attempting to evade a Maritime Safety Agency search in July.

In the ruling, Judge Akihiko Matsuo said the captain, Chang Oi-chu, 43, had "used a considerable number of weapons over many hours to perpetrate a dangerous and malicious criminal act."

The judge suspended the sentence for a four-year period, but fined Chang 800,000 yen.

Matsuo said that on July 30, while off Okinoshima Island about 40 kilometers off the northern coast of Kyushu, Chang failed to respond to an agency boat order to submit to a boarding and inspection on suspicion of fishing illegally.

Chang tried to avoid the agency boat for about seven hours.

He also threw a dry cell battery at agency personnel who tried to board the boat and ordered his crew to fend off the boarding party with a mattock.

French Plutonium Shipment Disclosures Regretted

OW2010132792 Tokyo KYODO in English 1315 GMT 20 Oct 92

[Text] Tokyo, Oct. 20 KYODO—Japan will express its regret to France's state-run nuclear fuel company over its statement to the press on matters relating to the shipment of plutonium to Japan, a Foreign Ministry spokesman said Tuesday.

Spokesman Masamichi Hanabusa told reporters in a press conference here that the government also plans to ask for explanations from the company, considering that divulging of the information constituted "a breach of promise."

He said the government had secured a pledge from Cogema, the French company reprocessing spent nuclear fuel into plutonium at Japan's request, that detailed information relating to the shipment would remain secret.

A number of countries have expressed concern about the Japanese plutonium shipment passing close to their shores on its trip from France to Japan, citing fears of accident or terrorist attacks.

On October 6, Cogema issued a statement to the press saying there is no danger of a leakage of the radioactive material, as it will be secured in 133 casks which can withstand water pressure at depths of 30,000 meters, as well as temperatures of 1,000 degrees Celsius for an hour and a half.

It said the casks have a diameter of 75 centimeters and are about two meters tall, with each being able to store over 10 kilograms of plutonium.

The company further revealed that the 3,800-ton Japanese freighter Akatsuki Maru will be loaded with 15 containers, each containing up to 10 casks.

Citizens Sue State for Sending SDF Overseas

OW1210152992 Tokyo KYODO in English 1240 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—Two citizens groups filed separate suits against the state Monday, demanding the dispatch of Self-Defense Forces (SDF) personnel to Cambodia be suspended.

A total of 146 mainly greater Tokyo residents filed a suit with the Tokyo District Court insisting the U.N. Peacekeeping Cooperation Law infringes on Article 9 of the Constitution which renounces war and the use of force as a means of setting interntional disputes.

They asked the court to confirm the unconstitutionality of sending SDF personnel to Cambodia and demanded 10,000 yen in compensation for each plaintiff.

In Nagoya, 169 people filed a similar suit with the Nagoya District Court claiming the SDF dispatch intrudes on their right to live in peace and demanded 10,000 yen in compensation for what they called unlawful use of their taxes.

The government approved a plan last month to send more than 1,800 military and civilian personnel to Cambodia.

Advance teams are already in the country and the 376-member main engineering corps are scheduled to leave for Cambodia on Tuesday and Wednesday.

Hungarian Banker Interviewed on Economy

OW1310112792 Tokyo KYODO in English 0908 GMT 13 Oct 92

[By Ikuji Nakaya]

[Text] Tokyo, Oct. 13 KYODO—Among East European nations struggling to implement reforms in their new-found freedom following the collapse of the Soviet Union, Hungary has pulled ahead on the road to a market economy, helped by its greater political stability.

In 1991, more than 50 percent of all foreign capital directed at the former Soviet bloc went to Hungary alone, statistics show.

"The framework for a market economy is there," says Frigyes Harshegyi, deputy president of the National Bank of Hungary.

Harshegyi, currently on a weeklong visit to Japan, noted that the country's currency unit, the forint, not only maintained stability during the recent currency turmoil in Europe but actually appreciated against the British pound to almost the same extent as the German mark, reflecting the nation's "positive development."

The forint is currently being traded at around 77 to the U.S. dollar.

About 10 percent of state-owned assets have been wholly privatized, with another 10 percent under way, Harshegyi said in an interview with KYODO News Service.

Hungary has been posting a current account surplus since 1990 and the figure could reach 1 billion dollars in 1992, he added.

In order to organize the financial system, new laws were adopted last October ensuring the independence of the central bank, while commercial banks are required to follow regulations set by the Basel-based Bank for International Settlements (BIS).

Harshegyi said the Japanese Government has indicated it is ready to extend fresh lending to Hungary to improve the social infrastructure and for environmental purposes, but Budapest is basically no longer strongly anticipating financial loans from foreign governments as it is now capable of raising funds from the market.

Japan promised to extend 500 million dollars in financial assistance through its Export-Import Bank from 1990 to 1992.

One of the purposes of Harshegyi's visit to Tokyo is another launching of yen-denominated Samurai bonds. Hungary has floated 11 Samurai bonds so far.

Harshegyi said conditions for the issue this time are still being negotiated with underwriters.

Unlike other East European countries, it has never been a problem for Hungary to service its debts, he said.

But not all the news is encouraging.

In a 1993 draft budget, Hungary is expected to mark a 185 billion forint deficit, equivalent to about 6 percent of the gross domestic product (GDP). This may trigger higher interest rates and spur inflationary pressures.

The rate of inflation, although projected to decline sharply to 15-17 percent in 1993 from 20-25 percent this year, remains high, while due to the rapid changes in the economic system, the GDP is expected to slip a further 2-3 percent this year after falling 10 percent in 1991.

In addition, the pace of privatization is not proceeding as initially expected. The government targets privatizing over half of its assets by the end of 1993 but Harshegyi said this may not be accomplished.

"I don't think a country can be or should be privatized in three years," he said.

Facilitating privatization may boost the unemployment rate, already standing at 11 percent.

Harshegyi said further liberalization of currency controls should be implemented.

Nevertheless, he remains optimistic. "We are finishing the institutional transformation and have made huge steps in economic restructuring, and we have had good results in adapting our foreign trade to world markets," he said.

Harshegyi is confident that, despite some "negative effects" like unemployment, the slight GDP decrease and high inflation, Hungary's current account surplus, increasing foreign investments and stable currency may enable the country a year or two from now to be a candidate for membership of the European Community.

Foreign Acquisition of Firms Said Increasing

OW1210104692 Tokyo KYODO in English 0945 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—Foreign companies targeting the Japanese market have stepped up acquisition of local enterprises by taking advantage of the falling value of their assets caused by the stock market slump, a major Japanese brokerage said Monday.

Daiwa Securities Co. said its survey showed the number of Japanese companies merged with or acquired by foreign enterprises during the first nine months of this year hit a record 22, topping the previous high of 19 for the whole of 1989.

In contrast, the company said mergers and acquisitions of foreign enterprises by Japanese corporations during the same period totaled 156 cases, down 20 percent from the previous year.

In most cases, the foreign companies' moves were designed to make major inroads into Japan's complicated distribution market, but at the same time they showed great interest in the electrical, pharmaceutical, food, and chemical sectors, among others, the company said.

For example, the brokerage said major U.S. toy maker Hasbro Inc. took over the financially troubled Nomura Toy Co. in May.

In September, major Dutch electronics firm Philips N.V. acquired a 70 percent equity stake in Japanese lighting equipment maker Kondo Silvania of Tokyo.

In a unique example, Taiyo Fishery Co. sold its wholly owned shipbuilding subsidiary to Evergreen Marine Corp., a major shipping company in Taiwan, as part of its restructuring program.

Further Criticism of Kanemaru for Mob Ties

OW1010045092 Tokyo KYODO in English 0313 GMT 10 Oct 92

[Text] Fukuoka, Oct. 10 KYODO—A senior officer of the Fukuoka prefectural police has criticized Liberal Democratic Party strongman Shin Kanemaru for his alleged ties with a major crime syndicate.

Toshiharu Koga, chief of the southern Japan prefecture's police investigation department, said in a speech Friday that rank-and-file investigators feel enraged by Kanemaru's alleged ties with organized crime group Inagawa-Kai.

The allegations against Kanemaru, former vice president of the ruling party, were unraveled in the process of probes of a major money scandal.

"A big shot in the political arena bowed to a mob group," Koga said in Iizuka, Fukuoka Prefecture. "Can't he understand the feelings of us investigators who are trying to eradicate such groups at the forefront? His deed can never be pardoned."

His speech about the powerful politician's alleged ties with organized crime, titled "The Actual Situation of Mob Groups and Our Reaction," drew hearty applause from the audience of 1,500.

Koga later said he "only spoke for investigators active at the forefront. I don't think I noted anything special."

Kanemaru is reported to have asked the Inagawa-Kai in 1987 to stop harassment by a rightist group of then LDP presidential candidate Noboru Takeshita, whose LDP faction Kanemaru heads.

The 78-year-old Kanemaru paid a 200,000 yen fine last month for accepting 500 million yen in illegal political donations from Tokyo Sagawa Kyubin Co., a major trucking firm involved in the spreading money scandal.

Tax Agency Asked To Be Strict With Kanemaru

OW1210153092 Tokyo KYODO in English 1319 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—The Social Democratic Party (SDP) asked tax authorities Monday to deal strictly with the 500 million yen political donation illegally accepted by influential ruling party member Shin Kanemaru, SDP officials said.

Kanemaru, often referred to as the kingmaker of the Liberal Democratic Party (LDP), admitted in late August the receipt of the money from Tokyo Sagawa Kyubin Co., a now defunct parcel delivery company.

The officials said Torao Takazawa, chairman of the SDP's special committee on the money scandal, urged the National Tax Administration Agency to confirm whether the money was reported in accordance with tax laws and to clarify what the donation was used for.

The tax agency stopped short, however, of referring to individual cases, maintaining that it is working toward adequate and fair taxation, the officials said.

Tax laws stipulate that political donations are tax-exempt when used for political activities.

Kanemaru reportedly distributed the 500 million yen to some 60 members of the LDP's largest faction founded by former Prime Minister Noboru Takeshita and is currently led by Kanemaru.

The officials said the donation may be considered income under the tax laws.

Takazawa told reporters that the party will soon file with prosecutors a complaint that Kanemaru violated the Income Tax Law.

Kanemaru earlier was fined 200,000 yen for violating the Political Funds Control Law.

Takeshita Faction Chooses Two Deputy Chairmen

OW1310120392 Tokyo NHK General Television Network in Japanese 1000 GMT 12 Oct 92

[From the NHK News program]

[Text] The Takeshita faction of the Liberal Democratic Party [LDP] appears to be aiming toward tiding over the difficulties expected at the forthcoming extraordinary session of the Diet by instituting new leadership in the organization. Today, the faction named two former party general secretaries, Ryutaro Hashimoto and Keizo Obuchi, as deputy chairmen.

While the faction is now being rocked by the Tokyo Sagawa Kyubin scandal, it is predicted that the parliament will severely attack Mr. Kanemaru, former vice president of the party. The faction has before it the difficult task of reorganizing itself and pulling through the parliamentary session to be convened later this month.

The faction held an expanded executive meeting today to discuss what to do. The meeting agreed that two more senior members would be named as deputy chairmen, making a total of four. It also agreed that its standing executive committee will have more members and will meet more often, and that senior leaders—acting chairman, deputy chairmen and the chief secretary— will be in charge of running the faction as a whole, while the chairman will have the final say. Some members described it as more in the nature of a collective leadership.

In a separate move, Ichiro Ozawa, acting faction chairman, and Seiroku Kajiyama, chairman of the LDP Diet Affairs Committee, held talks this morning. Mr. Kajiyama told Mr. Ozawa that he must have the support of the faction for him to continue to serve as the Diet Affairs Committee chairman. He went on to advise Mr. Ozawa to exercise restraint in his activities as acting chairman.

A rift is reported within the Takeshita faction between members who are close to Mr. Ozawa and others who are distancing themselves from him. With a new leadership installed today, the faction is expected to begin discussing the faction's strategy to deal with the extraordinary session of the Diet including the question of what to do with Mr. Kanemaru.

Emerging from the faction executive meeting, Kozo Watanabe, minister of international trade and industry, told reporters the faction now appears to be becoming unified. Dietman Koichiro Aino said that it seems that a group of leaders will be in charge of operating the faction from now on, instead of just one person.

Former LDP Secretary General Keizo Obuchi said he has been named as a deputy chairman of the Takeshita faction. Former Finance Minister Ryutaro Hashimoto said he has also been named as deputy chairman of the faction, and has accepted the position. He said he has no definite plan yet on how to fulfill his duties.

Finance Minister Hata told reporters there has been no discussion about what Mr. Kanemaru should do next. He said that the faction has been playing the central role in running the LDP and that it was agreed today that the faction members should first conduct frank exchanges of opinions on various matters.

[Begin recording of reporter Junichi Tsuyuki's report from the faction office] The Takeshita faction has been in a kind of storm ever since Mr. Kanemaru, the chairman, admitted on 27 August to receiving an illegal political donation. Today, one and a half months later, the faction appears to have managed to consolidate its leadership system. But the faction is far from united. Many core members—Dietmen who have served four to five terms—are said to be increasingly critical of how Mr. Ozawa, the acting chairman, is running the faction, while some junior members are said to be in favor of supporting Mr. Kanemaru and Mr. Ozawa as the leadership of the faction. Even though the faction appears to be agreeing on the need to support Mr. Kanemaru, it is not yet known whether Mr. Ozawa and the two new deputy chairmen appointed today will be able to take concerted actions and whether the existing rift in the faction can be removed.

With voices rising in and out of the LDP calling on Mr. Kanemaru to take action to accept responsibility, the Takeshita faction continues to face difficulties. [end recording]

Political Focus on Future of Takeshita Faction

OW1410095392 Tokyo KYODO in English 0921 GMT 14 Oct 92

[Text] Tokyo, Oct. 14 KYODO—Following kingmaker Shin Kanemaru's departure from the political world Wednesday, political focus turned to the future of the Liberal Democratic Party's most powerful faction which Kanemaru has led.

Kanemaru, who at the same time stepped down as faction leader, did not name his successor.

A power struggle has already intensified between Kanemaru's heir apparent Ichiro Ozawa and his opponents, notably such veteran politicians as Seiroku Kajiyama, Ryutaro Hashimoto and Keizo Obuchi.

The anti-Ozawa group calls Ozawa's management of faction affairs "high-handed" and "dogmatic." The group opposes promoting Ozawa to leadership of the faction, formally called the Keiseikai and informally known as the Takeshita faction.

In a conciliatory move earlier this week, senior faction members agreed to promote Hashimoto and Obuchi to faction vice chairmen, a post which the anti-Ozawa group says ranks equal with Ozawa, moving toward what faction sources call a "collective leadership."

Many political analysts, however, doubt the effectiveness of a collective leadership, saying that factions exist under leadership of a single boss.

Backstage, both groups are promoting efforts to take in as many members as possible, faction sources said.

Former Prime Minister Noboru Takeshita, after whom the faction is named, has hit, along with Kanemaru, troubled waters because of reported links with mobsters.

Takeshita has remained in the shadows since his fall from power in the 1989 Recruit Stocks-for-Favors scandal.

Opposition parties have proposed summoning both Kanemaru and Takeshita to the extraordinary Diet session to look into the money scandal and their links with the underworld.

The Takeshita faction has shown enormous political strength because of the number of Diet members under its control. It comprises 110 Diet members, or more than one-fourth of all LDP Diet members.

Since Takeshita's downfall, the No. 1 faction has helped Sousuke Uno, Toshiki Kaifu and Kiichi Miyazawa to become LDP president and thus prime minister.

A split in the Takeshita faction will have a major impact on the government of Prime Minister Miyazawa, who has relied heavily on the No. 1 faction in the management of party and Diet affairs since he came to power under Kanemaru's strong backing in the fall of 1991.

Takeshita faction members have occupied key party posts—Kanemaru as party vice president, Tamisuke Watanuki as party secretary general, Kajiyama as Diet Affairs Committee chairman, and Kensuke Nakanishi as chairman of the House of Representatives' steering committee.

Chief Cabinet Secretary Koichi Kato said Tuesday that Kanemaru's resignation from the Diet serves a blow to the government.

Business Leaders Ask LDP for Political Reform

OW1210045492 Tokyo KYODO in English 0429 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—The leaders of Japan's four major business organizations Monday urged the ruling Liberal Democratic Party (LDP) to take decisive measures for political reform in the aftermath of the Sagawa Kyubin illegal donations scandal.

"Extreme stress has built up among the Japanese people concerning political reform," Masaru Hayami, chairman of the Japan Association of Corporate Executives, (Keizai Doyukai) said in a meeting with four LDP leaders at a Tokyo hotel.

He stressed that the party representatives have to draw conclusions from the string of political scandals, saying that the problem would not be settled with Shin Kanemaru resigning alone.

Kanemaru resigned as the LDP's vice president after acknowledging he received an illegal political donation of 500 million yen from the now-defunct Tokyo Sagawa Kyubin Co.

Gaishi Hiraiwa, chairman of the Japan Federation of Economic Organizations (Keidanren) pointed to the necessity of radical political reform to restore public trust in politics.

The Japanese people, he said, are deeply dissatisfied with the way the government dealt with the Sagawa Kyubin scandal and wanted to have full clarification of the issue.

Referring to a memorandum calling for tighter controls on political donations and early reform of the election system that the business represesentatives last Friday handed to Prime Minister Kiichi Miyazawa, the Keidanren head said he expected the LDP to carry out these measures.

The LDP officials, led by Tamisuke Watanuke, the party's secretary general, answered that they aim at a quick formulation and implementation of an 18-point political reform package agreed on between the ruling and the opposition parties.

Hiraiwa Contradicts Miyazawa on View of Economy

OW1210135292 Tokyo KYODO in English 1238 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—Japan's economy has not hit bottom and still remains in an adjustment phase, Gaishi Hiraiwa, head of the Federation of Economic Organizations (Keidanren), said Monday.

"The economy will not pick up for a while and even if it gets better, it will be an 'L-shaped recovery' crawling sideways at best," Hiraiwa told a press confernece.

His statement contradicts comments that Prime Minister Kiichi Miyazawa made at a cabinet meeting of the ministers in charge of economic affairs last Friday, when he said the nation's economy hit bottom during the July-September quarter.

As the reason for his pessimistic view, Hiraiwa said it will take a considerably long time to resolve the current asset deflation problem, especially as it relates to land and real estate.

He also said the structure of consumption has changed much from that in the "bubble economy" period and thus early recovery in consumption cannot be expected to occur immediately.

Meanwhile, Hiraiwa referred to the growing calls for resignation of former Liberal Democratic Party (LDP) Vice President Shin Kanemaru from the House of Representatives following his illegal receipt of some 500 million yen from a Tokyo trucking company.

Hiraiwa said, "It is a problem that Mr. Kanemaru must resolve by himself and he is probably thinking it over very hard."

LDP, Business Agree on Consumption Tax Hike

OW1210044892 Tokyo KYODO in English 0413 GMT 12 Oct 92

[Text] Tokyo, Oct. 12 KYODO—The ruling Liberal Democratic Party (LDP) and four major business organizations agreed Monday that a hike in the consumption tax should be a medium-term target, but failed to reach ground on an income tax cut, business officials said.

LDP Secretary General Tamisuke Watanuki and three other top leaders of the party held talks with representatives of the business groups, led by Gaishi Hiraiwa, chairman of the powerful Federation of Economic Organizations (Keidanren).

The LDP leaders reiterated the party's policy to raise the consumption tax rate, currently 3 percent, in the medium term.

Keidanren officials quoted them as saying that Japan should follow the European Community, which is moving toward a unified minimum rate of 15 percent in value-added tax next January.

With business leaders agreeing to take as a medium-term target, Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry (Nissho), said there "was no objection" to adjusting the tax rate with international levels, but the key to this issue is when to carry out such a tax hike, the officials said. [sentence as received]

Concerning an income tax cut, however, the party leaders objected to the business side's request, saying it was wrong to link an income tax cut and a consumption tax hike, the officials said.

Amount of Bankruptcy Debts Rise From Year Ago

OW1410054492 Tokyo KYODO in English 0501 GMT 14 Oct 92

[Text] Tokyo, Oct. 14 KYODO—Liabilities left by insolvent Japanese companies in September rose 24.9 percent from a year earlier to 706.72 billion yen after falling in August, a private credit research agency reported Wednesday [14 October].

Teikoku Data Bank Ltd. Said the number of bankrupt companies in September rose to 1,145, the 24th straight year-on-year growth, though down from last month.

The third highest liabilities figure of this year stemmed from large bankruptcies, led by Osaka real estate firm Yoshimoto Kosan, with debts of 200 billion yen, and Tokyo condominium developer Takano Toshio Shoten leaving 70 billion yen.

For the first half of fiscal 1992, the agency reported that bankruptcy cases continued to rise but liabilities fell for the first time in five half-year periods.

The number of companies that went broke in the April-September period topped 6,000 for the second consecutive term at 6,952, down 32.6 percent from a year earlier, the fourth straight year-on-year decline.

Liabilities left by those insolvent companies hit the 3 trillion yen level for the third half-year term in a row, but marked the first drop in five half-year terms to total 3,583.65 billion yen, down 6.1 percent.

The Bank of Japan's discount rate cuts in April and July, and the government's pump-priming measures launched in August failed to rescue firms sinking under heavy burdens from active investment during the so-called bubble economy, the agency said.

An agency official said bankruptcy cases are likely to continue to grow with the Japanese economy in a "chronic slowdown" and showing no signs of imminent recovery, citing another one to two years for readjustment.

The rise in liabilities has apparently peaked out, the official said, but the total figure is still high, and a sharp fall is unlikely in the long term.

North Korea

Delegate Issues Statement Opposing Team Spirit

SK2010080592 Pyongyang KCNA in English 0551 GMT 20 Oct 92

["Resumption of 'Team Spirit' May Frustrate North-South Joint Military Committee, Warns North Side"—KCNA headline]

[Text] Pyongyang October 20 (KCNA)—Kim Kwang-chin, chairman of the North side to the North-South Joint Military Committee, in a statement to the press on October 19 said that the move of the United States and the South Korean authorities to resume the "Team Spirit" joint military exercises will create grave difficulties in the way of the first session of the North-South Joint Military Committee and grossly endanger its future.

The South Korean military authorities, failing to keep their promise made before the nation and keep faith with the dialogue partner, are kicking up a military racket to drive the North-South Joint Military Committee to a crisis of rupture and extremely aggravate the situation on the Korean peninsula in collusion with foreign forces, he noted, and continued:

The United States and South Korean bellicose elements claim that the "Team Spirit" joint military exercises are to cope with someone's "nuclear problem" and it is a "defensive training." This is a shameless sophism to find an excuse for its resumption and mislead the world public opinion.

The South Korean military authorities' scheme to increase the military tension in Korea again by resuming the "Team Spirit" joint military exercises together with the United States only shows that their agreement to nonaggression with the North is an empty promise and a lie and they are, in actuality, intending to take the road of confrontation and war.

We will never tolerate the sinister attempt of those who are trying to attain some political aim by staging the "Team Spirit" again.

The United States must stop such unjust act as putting pressure on others or putting a spoke in the wheel of the North-South agreement by raising the fictitious "nuclear problem" and withdraw from South Korea without delay, taking along all the nuclear weapons and aggression troops.

The South Korean authorities must immediately discontinue acts of destroying the North-South joint military committee itself, oblivious of the responsibility and duty they assumed before the committee, and take the road of becoming a true and independent dialogue partner, renouncing the disgraceful policy of depending on foreign forces.

Hanminjon Denounces Resumption of Team Spirit

SK2110110792 Pyongyang KCNA in English 1003 GMT 21 Oct 92

[Text] Pyongyang October 21 (KCNA)—A spokesman for the South Korean National Democratic Front (Hanminjon) in a statement dated October 15 denounced the decision of the United States and the South Korean authorities to resume the criminal "Team Spirit" joint military exercises, according to radio Voice of National Salvation from Seoul.

The "Team Spirit" joint exercises can not be a war deterrent on the Korean peninsula and it is a criminal nuclear war gamble which has been staged by the U.S. imperialists with the despicable aim of gratifying their wild ambition for world supremacy with this land as a bridgehead, the statement says, and goes on:

The United States is talking glibly about "support" to the North-South dialogue and "detente" on the Korean peninsula but, in actuality, it is the very one which seeks increased tensions and war, and the South Korean rulers are, indeed, a group of traitors and separatists who pursue only confrontation and the freeze of division, not interested in national reconciliation and peaceful reunification.

It can not go unnoticed that the United States and the rulers of Seoul decided to resume the "Team Spirit" training under the complicated political situation surrounding the upcoming "presidential elections". This is a premeditated provocative scheme to turn the political situation in their favor by aggravating the military situation between the North and the South.

The United States and South Korean rulers must take a bold decision to completely discontinue the "Team Spirit" itself next year and the United States must totally withdraw its forces and nuclear weapons from South Korea without delay and end its colonial domination.

KCNA Warns Against Japan's Military Plans

SK2110061492 Pyongyang KCNA in English 0457 GMT 21 Oct 92

[Text] Pyongyang October 21 (KCNA)—Sohei Miyashita, director of the Defence Agency of Japan, on October 19 said that Asian countries were not heading for arms reduction and someone was "suspected of nuclear development" and contended that, under such situation, a strong military presence of the United States in Asia "is more vital than in the cold war period", according to a report.

This is a ruse to justify Japan's moves to convert herself into a military power, which are being promoted in real earnest with the patronage of the United States.

The Japanese militarists have already developed nuclear development technology, operation technology of nuclear weapons and nuclear delivery technology behind the curtain of the "peace constitution" and then increased all kinds of technical equipment needed for them and are stepping up "a grand plan to use plutonium" to secure and use by the year 2010 plutonium which surpasses the amount which the United States and the former Soviet Union have produced and preserved for nuclear weapons.

Nevertheless, the Japanese reactionaries are justifying their criminal acts, slandering the DPRK and other countries in Asia over fictions.

Their support to the presence of the U.S. forces in the Asian region can never be tolerated, as it reveals their intention to employ, with the backing of the U.S. imperialists, their old method of aggression whereby they vanquished Asian countries.

The Korean and other Asian peoples are watching the moves of the Japanese reactionaries with high vigilance.

The Japanese reactionaries must ponder over the matter and give up the aggressive design that may bring them to destruction.

Japan Said Hastening Nuclear Armament Threat

SK2010112592 Pyongyang KCNA in English 1028 GMT 20 Oct 92

["Nuclear Threat to Korean Peninsula From Japan"—KCNA headline]

[Text] Pyongyang October 20 (KCNA)—NODONG SINMUN today declares that Japan is hastening nuclear armament, posing a great nuclear threat to the Korean peninsula.

The paper says in a signed article:

Japan's nuclear armament is a great threat to the Korean peninsula which is going toward denuclearization. Because the Korean peninsula will be the first target in case Japan uses nuclear weapons.

The "three-arrow operation" plan worked out by Japan in 1963 is a war plan concerning a coordinated operation of the U.S. Forces and the Japan "Self-Defence Forces". A paragraph of the plan mainly deals with the use of nuclear weapons by Japan, its focus placed on the Korean peninsula.

The director of the U.S. Nuclear Control Institute in a testimony at the U.S. Senate Foreign Relations Committee said Japan's plan to secure large quantities of plutonium is the main obstacle to the denuclearization of the Korean peninsula.

The U.S. nuclear weapons in Japan still pose a threat to the Korean peninsula.

There have been deployed nuclear weapons and nuclear-capable fighter-bombers at the U.S. bases in Okinawa and Japan proper. The warplanes there are mainly targeted against the Korean peninsula.

ASAHI SHIMBUN of Japan said the U.S. military planes in the bases still retain their "attack mission", which means there remains the threat of U.S. nuclear attaqk on the DPRK.

Yet the Japanese ruling circles are raising a hue and cry over the fiction of "nuclear weapons development program" and nuclear threat of the DPRK. This shows that they do not want the denuclearization of the Korean peninsila, but have an axe to grind.

The Japanese Government authorities must not hinder the process tf the denuclearization of the Korean peninsula, taking issue with others, but renounce their ambition of nuclear armament threatening peace in Asia and the world and totally get the U.S. nuclear weapons withdrawn out of Japan.

South's 'Offensive' Against Protestors Denounced

SK2010094992 Pyongyang KCNA in English 0558 GMT 20 Oct 92

["Dictator Unsheathes Fascist Sword"—KCNA headline]

[Text] Pyongyang October 20 (KCNA)—The South Korean authorities have launched a full-scale fascist offensive to stifle the dissident democratic forces on the threshold of the "presidential elections", which comes under fire in NODONG SINMUN today.

At a recent "meeting for the assessment of the two years for a new order and a new life" which was a prelude to another round of repression, the South Korean ruler gave instructions to expand and intensify the ongoing "war against crimes" and the new "prime minister" and the ministers of the "neutral cabinet" responded to them, the analyst says, and continues:

This cannot be construed otherwise than a revelation of a criminal intention to stifle at the point of bayonet the dissident democratic forces opposing the prolongation of the "Democratic Liberal Party" regime and seeking the formation of a democratic coalition government under the pretext of "a war against crimes" and thus "win the elections."

It has been fully exposed that "the war against crimes" launched by the South Korean ruling group is a war of wholesale repression of the patriotic-minded forces desirous of independence, democracy and reunification. It was proved by the fact that more than 604,000 guiltless people were arrested in a year after the "war" was declared.

The South Korean people will never allow the ruling group to put them on the altar of the repressive campaign for prolonging the military fascist dictatorship.

South Korea

'Apprehension' Over Possible Clinton Win Noted

SK2110022892 Seoul THE KOREA TIMES in English 21 Oct 92 p 9

[Editorial: "On Possible Clinton Victory"]

[Text] Major European allies of the United States have expressed confidence that their relationships with Washington will not change if Democratic presidential candidate Bill Clinton holds on to his sizeable lead in the polls and defeats President George Bush on Nov. 3. But on the contrary, the Korean government seems to be concerned over the prospects of a Clinton victory.

Their apprehension boils down to two areas of vital concern—the U.S. military presence here and trade. It is expected that they will surely be focal points of a Clinton administration more so than Bush's as the Democratic Party takes a more liberal approach than the Republicans.

As pointed out by a Foreign Ministry report to the National Assembly, the Clinton administration would pursue more vigorously a military disengagement policy toward Seoul, characterized by speedy troop reductions here and increasing Korea's share of the defense burden.

In the matter of the Seoul-Washington trade relationship, Korea will come under increasing U.S. trade pressure due to a tougher U.S. position on market opening and fair trade, reflecting Clinton's expressed intention to deal more sternly with countries practicing "unfair trade."

Though there would be no drastic changes in Korean-U.S. relations despite the possible power transfer there, the traditional partisan policy differences between the

Democratic and Republican Parties are sure to have a considerable impact on Korea, for better or worse.

What must be pointed out is that the Korean government has been rather negligent to improve ties or mend fences with the Democrats, when considering the possibility the Republicans would lose their 12-year-long grip on the White House.

Korea should have a better perspective on American politics and promote balanced diplomacy at either governmental and private levels. It should be remembered that the authoritarian governments of the past did not fare so well with Democratic administrations mainly because of the human rights issue.

Consulates in Shanghai, Guangzhou, Shenyang Planned

SK2110074992 Seoul MAEIL KYONGJE SINMUN in Korean 21 Oct 92 p 2

[Text] On 21 October, Foreign Minister Yi Sang-ok revealed: "A basis has been provided for our businesses to participate in the PRC's eighth five-year plan because the two countries concluded an agreement on economic relations. For various exchanges between the two countries, the government will promote ministerial and working-level negotiations in accordance with each field. It also plans to establish consulates general in major cities including Shanghai, Guangzhou, and Shenyang."

While attending a monthly luncheon of the Federation of Korean Industries, Minister Yi revealed this in his lecture entitled, "The Establishment of Diplomatic Relations Between the ROK and the PRC, and Development of Relations Between the Two Countries." He stated: "If the mutual supplementary trade structure is maintained between the two countries, the volume of trade will exceed $20 billion in the mid-1990's."

In connection with the private-level economic cooperation, Minister Yi pointed out: "Cooperation is being promoted in all the industrial fields including large-scale projects such as the establishment of a ROK complex in Tianjin and receiving an order to establish an ethylene plant in Jilin Province, to projects that can be carried out by small and medium-sized businesses such as the production of shoes, purses and establishing sewing factories. However, since there are many fields in which both countries are in competition, excessive competition or hastily advancing into the Chinese market among our businesses may result in negligence of actual profit."

* Dualism Seen in PRC's Korea Policy

922C0247A Seoul CHOSON ILBO in Korean 18 Aug 92 p 5

[By Northern Area Research Center China specialist O Chin-yong: "Dualism of the Chinese Foreign Policy on Korea"]

[Text] In connection with the ROK-China normalization, it seems that the time has arrived for initiating debates on fundamental problems relating to the triangle relations involving China and North and South Korea.

Seoul's China spring has come to its height, with great strides indeed, since the beginning of this year. The Seoul-Tianjin and Seoul-Shanghai flights are fully booked for over two months. More than 80,000 people traveled between Seoul and Beijing last year alone. Trade between the two countries this year must have surpassed $8.5 billion by now, while the deficits of our side are likely to continue at last year's pace.

Groups soliciting investments are frequently visiting Seoul from Jilin Province and China's other regions. As many as 80 Korean business firms made their first investments in China in the first half of this year alone. Economic cooperation has broadened its sphere to cover even such areas as science and technology, aviation, communications, energy, and shipping. ROK-China relations are thus deepening rapidly. As our trade with the "Chinese economic sphere," including Taiwan, Hong Kong as well as China, increases dramatically, political concerns over the issue of China relations are also on the rise. The China policy will inevitably become a major issue in the upcoming presidential election, too.

Meanwhile, a careful look at Beijing broadcasts for 1 year last year indicates that China-North Korea relations have seemingly cooled down considerably. Typical events once held frequently between the two countries have drastically diminished and government-level personnel exchanges have been virtually suspended. And Beijing is giving deliberately cautious treatment to what is happening in Pyongyang.

However, a scrutiny of events taking place inside China-North Korea relations produces a totally different picture. With regard to the recently reported "Nodong No. 1" long-range missile—a modified version of the Skud missile—it has been unveiled that China offered the guide portion and the launcher.

Also, with regard to the North Korean nuclear development program that has proved a critical issue to the U.S. and ROK governments, China is known to have provided part of the experimental facilities. Since 1988, as ROK-China normalization became a certainty, Chinese working-level officials have maintained that China was providing absolutely no military assistance to North Korea. Maybe they were right.

However, China continues to help North Korea with food and crude oil. While the crude oil supply, in terms of total value, has been at about the same level as the corresponding period of the preceding year, there has been a drastic cut in quantity, indicating that China has raised the price significantly to bring it closer to realistic levels. Even now, China's Shenyang Military District is in charge of special equipment in North Korea like the Silkworm missiles and military support.

From the time of the Korean War to date, China has continued to supply all the materials used for banquets in Kim Il-song's "Presidential Palace," with the General Logistics Department of the Chinese People's Liberation Army in charge of it. China conducts this sort of business meticulously and with consistency.

In the light of the deep-rooted, special relationship between China and North Korea, this type of practice is nothing strange. However, when compared with the enormous scale of ROK-China economic cooperation and its gaining trends, it is a behavior significantly awkward and unworthy of trust.

Therein we see clearly the intent of Chinese authorities. While stepping up economic cooperation with Seoul, they are on the other hand trying to maintain their existing relations with North Korea.

China holds steadfast to its independent, self-reliant foreign policy. Senior working-level officials whom I met recently noted that "North Korea's nuclear program is too low in its level to be a cause of concern. As regards our relations with North Korea, we will take care of them in our way." Needless to say, we do not mean to make any demand or advice to Chinese authorities concerning such problems. Whatever treatment China may give to a socialist ally—and a comrade-in-arms with whom it fought side by side—it is out-and-out China's business.

One thing that is clear is that China should not make use of the structural division of North and South Korea for an evil purpose, however. If China should use the huge trade surplus accumulated with one side of Korea to finance food and arms aid to the other, ROK-China relations will unavoidably be plunged into a catastrophe in the near future.

China should make two points clear. First, it should show its clear-cut principles concerning the North-South Korea issue and act overtly. China's "transparency" in this respect will not only be in the interest of North-South Korean relations but also a short cut to winning support and cooperation from both North and South Korea.

The Chinese used to say, with a smiling face, "When water flows, a ditch is bound to be made. When the time comes, let us talk about the normalization issue, too." Then, they would sneak out from the rear door and sit knee to knee with Kim Il-song discussing ROK-China relations. The point is that this pattern of behavior should cease.

Next, China should make it clear that it takes a strictly "neutral position" with respect to the reunification issue of the Korean peninsula. So far, it has made clear that "assistance should be extended for North and South Korea to ease tension and expand dialogue and trade between them, and to be reunited into one nation and one state." This is an admirable position indeed.

Of all the people living in Seoul, virtually no one would take what China says on things like that at face value, however. China places greatest emphasis on the "stability" of the Kim Il-song regime. People in Seoul still believe that if a counterrevolutionary coup should occur against Kim Il-song, or if an upheaval similar to the Tiananmen incident should break out in Pyongyang, or more seriously if a rebellion should take place against Kim Chong-il, China will positively come to the defense of the Kim Il-song regime. Therefore, they believe that the biggest barrier to reunification is none other than what Kim Il-song has "behind him," namely China.

If ROK-China relations are to deepen further, both sides should be candid on things that require candidness. If the Chinese position concerning North-South Korea relations is crystal clear, what can there be to be desired more? ROK-China trade will be way over a $12 billion level by about 1995, with more than 200,000 people crossing the borders every year to visit each other's country. ROK-China relations are developing on so broad a scale. The time has come for China to manifest a more "clear-cut position" concerning North-South Korea relations in keeping with the trends.

Military To Increase Exchanges With Japan

SK2110111792 Seoul YONHAP in English 1055 GMT 21 Oct 92

[Text] Seoul, Oct. 21 (YONHAP)—A top Korean military leader said Wednesday the armed forces would explore step-by-step expansion of relations with the military of Japan.

General Yi Pil-sop, chairman of the Joint Chiefs of Staff, said the exchange visits by senior and working-level military officers, now being made on a limited basis, will be expanded in the immediate future and periodic mutual port calls by naval ships and joint military exercises will be promoted on a long-term basis.

Yi made the remarks while explaining before a group of National Assemblymen about the Korea-Japan military cooperation mentioned in the recently published "Defense White Paper 1992-93."

The lawmakers of the National Defense Committee of the National Assembly were taking part in a parliamentary inspection of the joint chiefs of staff.

"In the new world order, the importance of military cooperation with neighboring countries is growing, and in this context, we are promoting military cooperation with Japan in pace with the nation's foreign policy direction," the general said.

He said it may be difficut to promote direct military cooperation with Japan at the moment in view of the Koreans' sentiments against Japan.

"But, given the Korea-U.S. and U.S.-Japan military cooperative setups, indirect military cooperative ties with Japan have in effect been already in practice," General Yi said.

This, he said, is especially so because the United Nations Command's rear area command post is located in Japan, which means that in emergency on the Korean peninsula, Japan would play the role of a rear area base for the defense of Korea.

He said that presently 21 military officers are being trained in Japan, who include six at Japan's command and staff college and 15 at private Japanese universities.

Japanese Defense Minister To Boost Military Exchanges

SK2010005692 Seoul YONHAP in English 0026 GMT 20 Oct 92

[Text] Tokyo, Oct. 20 (YONHAP)—Japan's Defense Minister Sohei Miyashita says his country plans to boost exchanges of senior military personnel with South Korea.

In a speech at the Foreign Correspondent Club on Monday, Miyashita, however, ruled out the possibility of forming a military alliance with South Korea, even though Seoul has enunciated a defense policy calling for a closer military cooperation with Japan.

But in order to build up mutual trust for the regional security, it is desirable to enlarge the military personnel exchange program already in existence, he said.

Trade Deficit With Japan Up 47 Percent Since 1990

SK2010000392 Seoul THE KOREA TIMES in English 20 Oct 92 p 9

[Text] Despite the government's vow to reduce the trade deficit with Japan, trade imbalance has been deepening over the past few years.

According to a report submitted to the National Assembly by the Economic Planning Board yesterday, Korea's trade deficit with Japan amounted to about 8.7 billion dollars last year, up 47 percent from the 5.9 billion dollars in 1990.

Although the deficit narrowed during the first 8 months of the year, there is a long way to go before balanced trade is achieved between the two countries, EPB officials said.

Korea's deficit during the 8-month period shrank to about 5.6 billion dollars from the 6.1 billion dollars a year earlier.

Officials said Korea will not achieve balanced trade with Japan unless bolder measures are immediately taken.

Korea has been suffering from a chronic trade shortfall with Japan since the two countries restored diplomatic ties in 1965.

The trade imbalance between Seoul and Tokyo showed short-lived corrections in the mid-1980s as the government aggressively pushed import diversification programs.

The deficit narrowed from 5.4 billion dollars in 1986 to 5.2 billion dollars in 1987 and further to 3.9 billion dollars in 1988 thanks to the diversification programs.

But the deficit began to increase again in 1989 with Korean goods losing their competitive edge on the Japanese market and as more domestic companies relied heavily on Japanese imports.

The EPB attributed the constant trade imbalance to the domestic industrial structure, which obligates Korean firms to import Japanese machinery to reexport goods.

According to the report, Korea's deficit with Japan in machinery trade amounted to about 6.6 billion dollars last year, accounting for nearly 75 percent of Korea's total trade deficit with the island country.

In the first 8 months of the year, the machinery trade deficit reached 4.2 billion dollars. Korea also registered huge deficits in trade of chemicals and electric and electronic goods with Japan.

The government, in its bid to reduce dependence on Japan for machinery, has recently been stepping up efforts to localize machinery production, but to no avail. According to the report, the government is seeking to cut its deficit in machinery trade to 2.5 billion dollars by 1996.

It is learned that Korean companies prefer importing Japanese machinery to using locally-made goods due to the gap in quality.

Taiwan Steelmakers File Anti-Dumping Suit

SK2110091292 Seoul YONHAP in English 0828 GMT 21 Oct 92

[Text] Seoul, Oct. 21 (YONHAP)—Taiwan filed an anti-dumping suit against Korean cold-rolled sheets Tuesday, triggering speculation that it was taking a retaliatory action following the severance of diplomatic ties between Seoul and Taipei, business sources said Wednesday.

The sources at the Korea Iron and Steel Association said that the suit, filed by the Taiwanese iron and steel producers, was feared to be followed by similar actions for all items, including galvanized sheets and stainless wire rods.

The sources said they suspected Taiwan's retaliation against Seoul's diplomatic switch from Taipei to Beijing from the fact that it had not even opened a dumping investigation into imports from Japan. Japanese steel products represent 20 percent of Taiwan's total steel imports while South Korea's share is a mere 6 percent, they said.

Korea has provided Taiwan with materials and technological assistance, and laid out compromises to help defuse discontent stemming from the increase of Korean imports, only to be faced with the unfavorable action, they said.

Seoul Expects PRC To Press North on Inspections

SK2010010792 Seoul YONHAP in English 0055 GMT 20 OCT 92

[Text] Tokyo, Oct. 20 (YONHAP)—South Korea expects China to persuade North Korea into accepting inter-Korean nuclear inspections, South Korean Ambassador to Japan O Chae-hui said Monday.

O told the Foreign Correspondents Club that an international consensus has been achieved on the point that an inter-Korean inspection is as much essential as an International Atomic Energy Agency's inspection for the solution of the nuclear issue involving the Korean peninsula.

"South Korea is expecting China to persuade North Korea," the ambassador said.

Touching on the inter-Korean dialogues, O observed that there was no easy solution as "the barrier blocking the issue of exchanging separated families is so thick and hard to dismantle."

However, he said, South Korea would push for economic cooperation with the North once the nuclear issue was settled.

Prime Minister Sends Letter to North Counterpart

SK2110095892 Seoul KBS-1 Radio Network in Korean 0900 GMT 21 Oct 92

[Text] Prime Minister Hyon Sung-chong, our side's senior delegate to the North-South high-level talks, today sent a letter to Premier of the State Administration Council Yon Hyong-muk. In the letter Prime Minister Hyon noted that the Workers Party of Korea in South Korea case violates the North-South basic agreement and that the South side will continue to call the North side to account until the North side apologizes for it and promises to prevent the recurrence of a similar case.

In a response letter to Premier Yon Hyong-muk's letter dated 13 October, Prime Minister Hyon said that the South side's position is to link the nuclear issue with the Team Spirit exercise. The Team Spirit exercise will resume from next year on unless the nuclear issue is resolved.

Prime Minister Hyon, however, said that he looks forward to the smooth operation of the North-South joint committees which will begin their activities in November, thereby hinting that the South side will not link the operation of the joint committees with the spy ring case.

Demands Apology for 'Spy' Activities

SK2110094592 Seoul YONHAP in English 0925 GMT 21 Oct 92

[Text] Seoul, Oct. 21 (YONHAP)—Prime Minister Hyon Sung-chong Wednesday urged North Korea to admit to having run espionage rings in the South, and to agree to resolve the nuclear and dispersed family issues at an early date.

In a message addressed to his North Korean counterpart, Premier Yon Hyong-muk, Hyon said North Korea should apologize for the spy operations and take due steps to prevent the recurrence of similar incidents.

Hyon said that in a circumstance where the nuclear issue remains unresolved, the joint Korea-U.S. Team Spirit military exercise has to be resumed beginning 1993.

"However, if inspection rules were agreed on and mutual nuclear inspections were conducted based thereon, we could study the issue of suspending the Team Spirit exercise for good," Hyon said.

The message was a reply to Premier Yon's Oct. 13 message to Hyon in which the northern premier called the spy ring case was a "frame- up" wrought by the South, and demanded the South withdraw plan to resume the Team Spirit military exercise.

In his message, Prime Minister Hyon said that to prove the fictitiousness of the North's theory of "frame-up," the South is willing to have relevant international agencies verify the outcome of the probe into the case by the South Korean investigative authorities.

Saying that the North's denial of its involvement in the incident leads him to doubt if the various agreements reached so far between the two sides of Korea could ever be translated faithfully into action, Hyon said the South would continue to come down hard on the North on all opportunities and occasions until the North apologizes and take convincing steps to prevent the recurrence of similar incidents.

Prime Minister Hyon also said that South Korea and the United States have recently agreed to shelve the implementation of a second-phase reduction of U.S. forces in Korea until North Korea accepts mutual nuclear inspections and takes steps to dispel suspicions about their nuclear arms development.

"It is totally up to your side's attitude whether the second-phase withdrawal plan would be carried out as originally scheduled," hyun said.

Touching on the issue of Yi In-mo, a self-styled North Korean war correspondent in the South, the prime minister said that the South had clearly laid down the method of resolving his case in the South's July 7 message to the northern premier, adding that he hopes the question will be resolved on the principle of reciprocity.

He then said the first step toward settling Yi In-mo's case would be to carry out the exchange of aged parents visitors, a project which he said the two sides agreed to carry out without any conditions at the seventh prime ministers meeting.

"With the uncovery of the spy case as a momentum, your side should renounce your scheme to communize the South forthwith and join in efforts to surmount national division through reconciliation and cooperation," Prime Minister Hyon said.

Joint Chiefs To Push for N-S Military Integration

SK2110025092 Seoul YONHAP in English 0223 GMT 21 Oct 92

[Text] Seoul, Oct. 21 (YONHAP)—The Joint Chiefs of Staff (JCS) said Wednesday that it would push for an inter-Korean integration in the military field in preparation for an era of peaceful coexistence on the Korean peninsula.

Briefing members of the National Assembly National Defense Committee on its works, the JCS said such inter-Korean move would be needed as the time would come in the latter half of this decade when threats posed by the four big powers—the United States, Japan, China and Russia—would grow and outshine fears originating from North Korea.

The big powers' threat would be felt acute amid growing strategic importance of the Korean peninsula and increasing fears among neighboring countries of a unified Korea, and as a result of increased influence of neighboring countries following readjustment of South Korea-U.S. military relations, the report said.

The JCS said it will make efforts to attain enough military readiness to cope with any type of change in North Korea and to maintain balanced military cooperation system with foreign countries.

The military, it said, would also work out and carry out plans for inter-Korean integration of military forces in preparation for peaceful coexistence and unification and push ahead with a plan to reshape its strategic concept and restructure the armed forces.

Touching on developments in the North Korean military, the JCS said North Korea could wage a surprise attack any time as it has deployed 66 percent of its ground forces in the forward bases. Also in forward deployment are 58 percent of naval ships and 41 percent of fighters, JCS said. North Korea is now armed with more than 1,000 tons of chemical weapons, it added.

Kim Il-song, Chong-il Reported To Visit PRC 29 Oct

SK2110052992 Seoul CHUNGANG ILBO in Korean 21 Oct 92 p 1

[Report from Beijing by correspondent Chon Taek-won]

[Text] According to a reliable source in China on 21 October, North Korean President Kim Il-song will pay an unofficial visit to Beijing with his successor Kim Chong-il on 29 October.

This source said that during their visit to China, Kim Il-song and his son will likely meet Deng Xiaoping, the highest influential person in China, and discuss establishment of North Korea-Japan diplomatic relations with him.

National Assembly Audits General Prosecutor's Office

SK2110020892 Seoul THE KOREA HERALD in English 21 Oct 92 pp 2, 9

[By staff reporter Kim Chong-chan]

[Text] Opposition lawmakers yesterday took issue with the government's alleged vote-buying attempt in Yongi County, South Chungchong Province, in the March National Assembly elections, while legislators of the former government party asked if opposition politicians were implicated in the latest spy scandal.

In an inspection of the General Prosecutor's Office, lawmakers of the main opposition Democratic Party [DP] called for the arrest of Yi Chong-kuk, ex-governor of the province, for allegedly playing a leading role in the celebrated electoral fraud.

Rep. Ho Kyong-man of the same party asked for a reinvestigation of allegations of electoral fraud to determine whether officials of the presidential office, the counterintelligence Agency for National Security Planning (NSP) and the Home Ministry were involved in the affair.

Ho, a lawyer turned five-term lawmaker from Sunchon in South Cholla Province, urged the government to reveal details of strategy meetings of government officials where they reportedly discussed ways to ensure that the ruling party candidate in the district was elected.

Rep. Yu In-tae of the DP claimed that the government of South Chungchong Province granted privileges to Song Wan-chong, president of a construction company, who allegedly gave provincial administration officials illegal donations for the ruling party candidate, Yim Chae-kil, who was formerly a presidential aide. Yim ran unsuccessfully in the elections.

Yu said the construction firm may have won contracts to undertake several public projects in return.

The two lawmakers argued that similar election rigging was committed in other parts of the province.

Han Chun-su, ex-head of Yongi County, has claimed that he saw "guidelines" which, according to him, directed officials of the provincial government to work for the ruling party candidate. Han, Yim and other local government officials have been put behind bars on charges of violating the election laws.

During an audit of the General Prosecutor's Office and the Seoul District Prosecutor's Office, Rep. Yi In-chae of the Democratic Liberal Party called on the authorities to clarify whether opposition politicians were implicated in the spy scandal.

Yi, a former judge from Anyang in Kyonggi Province, called for a thorough probe into the spy case in which more than 60 South Koreans were arrested.

Kim Tae-chung, the main opposition party's presidential nominee, last month apologized to the public for the arrest of his secretary who has been accused of providing military secrets to North Korea through a friend.

Yi Kun-hui, 26, a personal secretary to Kim, has been arrested on charges of spying for the Communist North. Yi allegedly passed outlines of the government's defense spending plan for this year to his friend Hwang In-uk, last December. Hwang has already been put behind bars on charges of spying for the North.

The former government party may try to take advantage of the affair to inflict damage upon Kim Tae-chung who has been trying to project himself as a moderate, observers say.

Meanwhile, Rep. Yu Chun-sang of the Democratic Party said several conglomerates have been penalized for smuggling luxurious and other items from abroad between 1988 and August this year.

The combined taxes and fines amounted to 2 billion won, said Yu, citing figures given by the Korean Customs Administration.

The business groups implicated in irregularities included Samsung, Lucky-Goldstar, Lotte, Daewoo, Kumho and Haitai, the lawmaker said.

For instance, Lucky-Goldstar was detected bringing in 600 million won worth of timber from Russia without permission from the authorities. The group was fined 610 million won.

Kumho paid 646 million won in taxes and fines for smuggling German-made TV sets and Japanese-made golf-clubs.

Lotte was fined 255 million won and forfeited 69 million won for smuggling condensed pineapple juice. Samsung was accused of smuggling a 114 million won worth of used U.S.-made computers.

Daewoo paid 75 million won in penalties for importing contraband automatic lathes, and Haitai was fined 107 million won for smuggling wooden chopsticks.

Hyosung, Sammi, Taekwang and Youone were also caught red-handed trying to smuggle in foreign goods. The 10 biggest conglomerates were involved in 16 cases of smuggling contraband goods or distorting import prices. Lucky-Goldstar was found to have been involved in five cases, followed by Haitai and Kumho in two cases, respectively.

These business groups smuggled contraband goods disguising them as legal imports or made false reports of import prices in order to seek illegal refunds, Rep. Yu said.

The fact that only one of the 10 conglomerates, Samsung, was indicted was evidence of the government's exceptional leniency toward chaebol, Yu said.

Rep. Chong Sang-yong of the Democratic Party, meanwhile, claimed that the government should help form a joint-venture company to handle the second mobile phone project rather than giving the right to a certain company in the parliamentary inspection of the Communications Ministry.

The opposition lawmaker said the company selected as the second mobile phone operator, could make a windfall profit of 180 billion won annually after investing 150 billion won in necessary facilities. The profit is expected to surge to some 1.2 trillion won by 2000, he asserted.

"Therefore, the government should encourage domestic firms to set up a joint venture to handle the nation's second mobile phone project, rather than giving the right to an individual firm," Chong said.

In answering lawmakers' questions, Communications Minister Song On-chong said Sunkyong Business Group, which earlier gave up the right to the second mobile phone business, is also eligible to apply in future bids to select the operator.

Song said the government's plan to begin the second mobile phone operation has nothing to do with the future of President No Tae-u. No's daughter is married to a son of the Sunkyong Group chairman.

Yielding to rising public criticism, the Communications Ministry in August cancelled its selection of Taehan Telecom, a consortium of 13 domestic companies and three foreign firms, as the second mobile phone operator.

Taehan was led by Sunkyong Business Group, Korea's fifth largest conglomerate which has been accused of benefiting from family ties with President No.

Yi Chong-chan Forming New Political Party

DP's Han Yong-su To Support

922C0244A Seoul CHUNGANG ILBO in Korean 17 Aug 92 p 3

[By reporters Pak Pyong-sok and Kim Chin: "Plan To Found New Party Announced; Will It Work Out?—Concerns Rising Over If It Will Be Factor in the Presidential Election"]

[Text] With less than four months left before the presidential election, there is a move afoot in earnest to form a new political party, drawing concerns on whether it will lead to a new factor affecting the present picture of a three-man race—two Kims and a Chong [Kim Yong-sam, Kim Tae-chung and Chong Chu-yong].

Rep. Yi Chong-chan of the Democratic Liberal Party [DLP], who shuttled back and forth between his reported break and stay-on with the party a few times, and Rep. Han Yong-su of the Democratic Party [DP] at separate press interviews today announced their secession from the parties and decision to form a new party together.

Both Yi and Han are "heretics" who once ran for presidential candidate of their party but then either boycotted or withdrew from the race. Now, they set forth the goal of forming a new party to bury the two Kims, setting their sights on Central Korea constituencies.

The two hinted at the possibility of several incumbent legislators—including Rep. Chong Ho-yong—joining them in the new-party drive, but Chong and other figures inside and outside the National Assembly who were allegedly involved have largely shown cold responses, making it extremely difficult to figure out how many will actually turn out to lend their support to the move.

Reps. Yi and Han have an agenda to complete the founding of the new party by 10 October and run its candidate in the December presidential election.

Han suggested that he had met with Yi and Chong Ho-yong many times, sharing their views on a new party. He also hinted at the possibility of solidarity with Pak Chan-chong, chairman of the New Party movement. The Chong Ho-yong side responded negatively, to the allegations, however.

Meanwhile, of those cited by the promoters as potential participants, Rep. Yang Sun-chik (the Unification National Party [UNP]) has made it clear that he has no intention to cooperate. Also, Chae Mun-sik, former National Assembly speaker—who was the leader in the Yi Chong-chan-for-DLP-presidential-candidate drive—and Yun Kil-chung, former National Assembly vice speaker, declared that they have no intention of leaving the DLP.

At the moment, anticipated participants include No Sung-hwan, former National Assembly vice speaker, and ex-Rep. O Hong-sok and some DLP figures outside the National Assembly. Consequently, it is unlikely that the planned new party will be much of a threat to the existing balance of the two Kims' leaderships.

But there is the possibility of some independent legislators including Yi Chae-hwan coming to their assistance.

The promoters have to overcome a number of difficulties before the new party materializes.

First, the key question is who will be the leader—the center—of the party, and who will raise the enormous funds required for the founding, and how.

Chong Ho-yong, Yi and Han have had a series of meetings, direct or indirect, to discuss who should be the party leader, but reached no accord. It is because Yi and Han and Pak Chan-chong are all alike in that they are philosophically and politically of the faith (?) that they should be the presidential candidate.

Yi is known to have a blueprint of the new-party founding through a multi-stage process.

The first stage is said to be through the end of August or until after the DLP establishes its new leadership on 28 August. New-party sympathizers will in this period complete the chores of "putting their private affairs in order."

The second stage in his plan is to bring the new party to a start by mid-September, or the end of September at latest; prior to that, a promoter group like a New Government Alliance will be formed.

Therefore, an important factor is who will come forward to join the ranks, and when. Ex-Rep. O Yu-pang quit the DLP on 17 August, while Yi Yong-il, DLP Kwangju chairman, is expected to follow the suit on 18 August.

In the National Assembly, only Rep. Chang Kyong-u is pondering whether or not to leave the DLP while Reps. Pak Pom-chin and Pak Myong-hwan firmed up their plans to stay on. Chairman Yu Ki-su is also considering quitting the party.

Some of the members of the DLP Central Committee, city and provincial assemblies and the party secretariat staff who supported Yi at the time of the DLP race for presidential candidate are likely to cooperate with Yi.

Leaders of the DJP [former Democratic Justice Party] faction—including Rep. Pak Tae-chun, member of the DLP Supreme Committee, and Reps. Yi Han-tong, Pak Chun-pyong, Sim Myong-po and Pak Chol-on—broke with Yi a long time ago. While aides to Yi are hoping that Rep. Kim Yong-hwan will cooperate, Kim also remains uninterested. Those who made clear their plan to participate are mostly local party chairmen outside the National Assembly who failed to be elected in the last general election and, as a result, their political influence is but marginal.

It is still difficult to say how the issue of solidarity with forces other than the DLP will work out. To be certain, while the consensus is for an end to the two-Kims era and for new government, people expected to rally under the Yi Chong-chan banner are not many. Yi's indecision in recent months had eroded his credibility.

The Yi side insists that even outside the political sphere, substantial forces are supporting him. It also says that many social movement activists, academic and religious figures, including So Yong-hun, board chairman of Hungsadan, and So Kyong-sok, secretary general of Kyongsilnyon, are coming to join them in the move. But it remains to be seen whether they really will.

Meanwhile, concerning Kim U-chung, president of the Daewoo Group, who is Yi's supporter and once the subject of a new-party rumor himself, the picture seems to be getting clearer gradually. Yi has denied the possibility of solidarity with Kim by saying that "I and Mr Kim U-chung are of the same opinion concerning the lack of political leadership in this country and the public's distrust in politics, but it is another question if this would lead to forming a political party together." An aide to Yi explained that "for the moment, the possibility of support by Mr Kim U-chung is slim."

No Sung-hwan, former National Assembly vice speaker, who, with Rep. Chong Ho-yong, is spearheading the new-party drive in the opposition sphere, is having a series of contacts with politicians who were opposition members in the 13th National Assembly. At the same time, he was to exchange views with elders who were formerly opposition party leaders, including Yi Cholsung, Yi Min-u and Ko Hung-mun, on the evening of 17 August.

No Sung-hwan said on 17 August that "the founding of a new party is basically a matter of concern for politicians in active service, but since the national consensus is that they cannot trust the present government and opposition leaders, I will do the best I can to save the country."

Yi Hopes for Presidency

922C0244B Seoul HANGUK ILBO in Korean 18 Aug 92 p3

[By reporters Cho Myong-ku and Hwang Yong-sik: "Processes and Prospects for 'New Party' Unveiled: A Fourth Party To 'End the Two-Kims Era' Taking Shape"]

[Text] A new political party, rumors of which have persistently been circulating in political quarters, began taking shape on 17 August as Rep. Yi Chong-chan of the DLP and Rep. Han Yong-su of the DP, respectively, announced their withdrawal from the party and made it clear that they will work to form a new party.

Rep. Chong Ho-yong, independent, also had expressed his intention to join them in the move. Moreover, there are signs of some Fifth Republic figures including Chang Se-tong, former director of the Agency for National Security Planning [ANSP], and even former opposition figures coming forth in support. So, the general observation in political quarters is that the possibility has further increased of a "fourth party" coming on the nation's political scenes that now have the DLP, DP and UNP.

These people of course maintain that they have never officially discussed the new-party plan. There is a consensus among them on "ending the two-Kims era," however, and moreover it has been confirmed that they have long been in rapport with one another, although informally. In view of these facts, the new-party drive will likely get off to a formal start shortly and proceed in earnest.

—It is generally believed that a new party was first discussed, directly or indirectly, immediately after Yi Chong-chan began taking an independent course after refusing to take part in the DLP contest for presidential candidate.

About the time when Yi was planning for a National Alliance for New Government as a preliminary step in late May, Han Yong-su expressed his positive intention to join him, while Chong Ho-yong reportedly took a negative stance.

Showing his terms to Yi, Chong demanded that Yi "quit the DLP first before discussing a new party." After that, there were no contacts between the two for a while. When they got to talking about a new party again, Chong showed his positive stance by saying that he will form a group made up by independent legislators and that this group will be united with the new party at an appropriate time, it was reported later.

Their relationship returned to a lull when Yi met with then DLP chairman Kim Yong-sam on 25 June, however, and decided to stay on in the DLP. Chong and Han, respectively, set out exploring ways and means for a new party on their own, according to reports.

Meanwhile, it is known that Kim U-chung, president of the Daewoo Group, and some former core leaders of the Fifth Republic days came forth to play the role of catalyst. In other words, both Chong and Yi were, as a matter of fact, inspired when Kim U-chung stated his position that he would "explore ways toward new political order and change." They saw a breakthrough in his strong will for a new party.

Kim U-chung, at a press interview upon his return home from a trip on 10 August—which was after media had carried reports on a new-party plan led by him—flatly denied the reports by saying that they were "old stories of the bygone days." Apparently, he was backpedaling.

At separate meetings he had with Chong and Yi recently, he showed a negative response to the new-party drive, stating that he is "in no position to extend support" in any form to their cause. Either prompted by the change in Kim U-chung's attitude or for some other reasons, Chong and Yi—who had been following separate courses—began shifting back toward the new-party cause of their own, according to observers. In particular, it was known that Yi and Chong had a midnight session on 16 August to discuss specifics of strategy for the new party. According to observations, the three [Yi, Chong and Han] chose—as the second best policy and final decision—to launch the cause of bringing an end to the two-Kims era and seek solidarity with forces coming to participate.

With regard to the background of their new-party drive, analyses indicate that they set their sights on voter sentiments against politics dominated by the two Kims. In particular, they seem to be paying attention to phenomena of laxity occurring in some sections of the pan-ruling sphere.

Ostensibly, the three are all working for realization of new government and reforms. But, in the cases of Yi and Han, their intra-party position has been weakened, while Chong, as an independent, also has but limited political options. These can be seen as factors driving them toward a new party.

—Those who are expected to participate in the new-party drive will come from both the ruling and opposition camps of the political sphere, as well as from the nonpolitical sphere. It is likely that former members of the National Assembly, rather than incumbents, and new rising forces will form the main current.

From the DLP, besides Yi, Rep. Chang Kyong-u and former Reps. O Yu-pang, Yi Yong-il and Yu Ki-su are expected to quit the party and join in the drive on an individual, separate basis. Of them, Chang is weighing options while withholding the final decision. Meanwhile, Reps. L, P and K, who are all influential DLP members, responded negatively at their recent meetings with Yi, saying that they would study the matter later.

Central Korea personages inside and outside the National Assembly in particular, who had shown a positive attitude until recently, are now in a state of wavering, demanding that "funds be secured first."

From the DP, virtually no current National Assembly members are coming to participate in the drive, although Yi has been in active contacts with Reps. L, K and C. In the UNP, Reps. C and Y once expressed their positive intention to join, while another Rep. Y and Rep. K were invited by Yi to join but turned it down for now, it is said.

Among independent legislators, Kim Sang-ku and Kang Chang-hui have responded affirmatively, while Yi Chae-hwan, Kim Ho-il and Song Mu-yong are casting sheep's eyes between the DLP and the planned new party.

In the meantime, Rep. Yim Chun-won, independent, who was once positive with his participation, has recently been leaning toward joining the DLP. Rep. Pak Chan-chong, chairman of the New Party movement, is also interested in participating in the new-party drive, other members of his group are showing negative responses.

Among Fifth Republic figures, former ANSP Director Chang Se-tong and former National Unification Minister Ho Mun-to are intending to take part in the drive. Also, a considerably large number of former ruling camp figures, including ex-Reps. Chang Song-man, Yun Sok-sun, Choe Myon-hon and Yi Pom-chun are weighing their choices.

Also showing positive responses are former Rep. Yi Tong-chin and others who failed to obtain DLP endorsements for their candidacy in the 14th general election.

Among supporters in the opposition sphere, No Sung-hwan, former National Assembly vice speaker, who leads the "Gathering of the Concerned for the Nation," is positive for the cause. The new-party drive is trying to bring in senior opposition personages and anti-Kim Tae-chung figures.

Among the targeted are such opposition-sphere elders as Yi Min-u, Yi Chol-sung, Yu Chi-song, Ko Hung-mun, Sin To-hwan, Yi Chung-hwan and Ko Chae-chong, as well as former Reps. Yi Chung-chae, Yi Chae-kon, Yi Chin- yon, O Hong-sok and Kim Sung-mok.

* Membership Questioned

922C0244C Seoul CHOSON ILBO in Korean 19 Aug 92 p 3

[By reporters Kim Min-pae and Cho Pyong-muk: "Who Will Join the New Party? Yi: 'Seven or Eight Incumbents If Chong Joins'"]

[Text] A "new party" led by Reps. Yi Chong-chan and Han Yong-su is likely to materialize toward the end of this month under the auspices of 50-odd promoters. Prior to getting together with Rep. Cho Ho-yong, Yi and Han, respectively, have begun selecting promoters. But most of the incumbent legislators targeted by them remain either fence-sitter or skeptical about the new-party drive, serving notice that the road to "a well-shaped new party" is rough and difficult.

But former National Assembly Vice Speaker No Sung-hwan and other ex-legislators are reportedly positive for the new-party plan, with Rep. Han in the center. The Yi side predicts that the list of promoters will include seven or eight incumbent legislators if Chong Ho-yong cooperates—and four or five should he not.

For the moment, of the DLP incumbents, Rep. Chang Kyong-u is the "only" National Assembly member who is weighing his secession from the party. Although Yi sees Chang's withdrawal from the DLP as a *fait accompli*, the latter says he will "wait and see."

Meanwhile, Rep. Pak Chol-on, who has maintained a relationship of "neither too close to nor too far from" Yi since the DLP race for presidential candidate, said during his U.S. tour that "emotionally, I lean toward understanding his motives in starting a movement under the slogan of new government." "On my course of action, I will make a decision in late September or early October," he added, suggestively. The comment drew attention.

Those who supported Yi at the time of the presidential candidate race—such as DLP Supreme Committee member Pak Tae-chun and Reps. Yi Han-tong, Pak Chun-pyong, Kim Yong-hwan, Nam Chae-tu, Yang Chang-sik, Kim Chung-ui, Kang U-hyok, Pak Pom-chin and Pak Myong-hwan—parted with him after the race one by one. The Yi camp no longer regards them as "allies" either.

Among DLP district chapter chairmen who have no seats in the National Assembly, O Yu-pang and Yi Yong-il already quit the party, while Yu Ki-su is "seriously considering" following the suit.

Meanwhile, Kim Hyon-Uk (Tangjin chairman), Cho Ki-sang (Hampyong-Yonggwang chairman), Yu Kyong-hyon (Sungju chairman), and An Song-hyok (Sodaemun-B chairman) began distancing themselves from Yi, making it unlikely that they will join the new party.

All independent legislators are showing a half fence-sitting and half skeptical attitude, perhaps because they had asked Chong to find out specifically where the new-party deal stands.

"Mr Chong told me that he has not yet discussed the new-party thing with Mr Yi," said Rep. Kang Chang-hui. "Founding a new party can by no means be so easy a matter," he added. Meanwhile, Rep. Yi Chae-hwan said that "I will make my position clear after I have found out all facts through Mr Chong." Rep. Kim Sang-ku said through aides that he will take the same course as Mr Chong does." Rep. Song Mu-yong is still uncommitted, saying "I will wait and see before I make my decision." Rep. Kim Ho-il from Happo, Masan, is negative to joining, citing constituent sentiments for the reason.

Among former leaders of the Fifth Republic era, ex-ANSP Director Chang Se-tong, whose possibility of joining the new party was earlier reported in media, said through aides that "I am in no way involved." Former National Unification Board Minister Ho Mun-to showed an "elder-like" posture, saying that "based on the consensus that the future of the nation cannot be safely left to the two Kims, political forces are groping for a way out of this crisis, are they not?"

With regard to the question of "solidarity" with Fifth Republic forces, Yi said that he "has had no direct contact" with them; however, showing an affirmative attitude, he added that "I think it is all right to meet and discuss a new party with them."

Inside the UNP, too, how many incumbent legislators will move to the new party is a matter of concern. When the word began spreading in political quarters on a "fourth party" in June to July this year, it was widely rumored that five or six incumbent legislators including two from the Yongnam-South Chungchong constituencies would join Han in the new-party drive.

Han, at an 18 August press interview in which he officially announced his secession from the DP, said that "there are no incumbent legislators joining me in the new party, however. Depending on how the new-party move fares, there may be some coming to take part," suggesting that he failed to "persuade" those who had been rumored about.

At any rate, as the new party became a public debate issue after Yi and Han officially bolted with their party, nonparliamentary figures who had been gossiped about were gradually divided into "participants," "fence-sitters" and "stayers," with lines drawn between them.

Former National Assembly Vice Speaker No Sung-hwan—who, immediately before the 24 March general election, abandoned his candidacy and quit the DP in protest to "the Kim Tae-chung politics"—and former Reps. Kim Sung-mok and O Hong-sok belong to the group of positive participants.

No Sung-hwan approved of the new-party drive by saying that "I tried to retire from politics to lead a quiet life. But now, as political leaders are failing to act on the dire crisis confronting our nation, I see concerned legislators getting together to find a solution."

Former Reps. Yi Hyong-pae and Choe Pong-ku, who failed to obtain DP endorsements for their candidacy in the latest general election, are also relatively positive participants in the cause. Former Rep. Yi Yong-hui, who had been a core member of the "Tonggyodong [Kim Tae-chung residence] division" for a long time, maintains a wait-and-see attitude, shunning the public eyes, while former Reps. Choe Yong-kun and Ho Man-ki maintain an attitude of even disliking their names mentioned in the same context.

Rep. Yang Sun-chik of the UNP, once said to be moving to the new party, denied the rumors by saying that "I have never met nor am planning to meet with them about it."

* Chong Ho-yong May Join

922C0244D Seoul CHUNGANG ILBO in Korean 18 Aug 92 p 2

[By reporter Kim Tu-u: "Where Is Rep. Chong Ho-yong Headed? Maintains Relationship of 'Neither Too Close to Nor Too Far From' a Central Korea-Based New Party"]

[Text] As Reps. Yi Chong-chan of the DLP and Han Yong-su of the DP have quit their party to form a new party together, public attention is now focused on how Rep. Chong Ho-yong—who is viewed as their sympathizer—will respond.

Although Chong does not command enough forces to influence the national political climate, he has a commodity value for his unique political career coveted by forces in the new-party drive.

When announcing their secession from their party, Yi and Han named Chong as a participant in the new-party cause. Commenting, Chong said: "Inasmuch as Reps. Yi and Han withdrew from their party and are now independents, there is no reason that we cannot meet. I am at least not against discussing with them any pending issues including a new-party plan."

Chong made it clear, however, that "When Mr Yi had brought up the question of a new party before he left the DLP, I quizzed him what he wanted me to say at a time he had not even put his own personal affairs in order. Beyond that, I have had no concern about it." "Do you think a new party can be formed with a mere few words?" he asked back. On the question of solidarity with Yi and Han, Chong said that "first of all, they must give up the notion of becoming a presidential candidate themselves." Chong thus made it clear that he will not play the role of the best man for a new party in which Yi and Han would be dreaming of presidential candidacy for themselves.

Nevertheless, on the result of the talks held between the two Kims, Chong accused them of having "avoided all the issues awaiting solution, wasting time on minor subjects such as campaign funds," reflecting his consciousness of the public opinion that is increasingly against the two Kims.

Chong met with Yi in mid-June, and with Han in early August. At the time, he declined to answer the feeler they put out, but later showed a negative response to aides by saying "Can people of that stature really form a new party that can be a threat to others?"

Chong went all the way to see Kim U-chung, president of the Daewoo Group, to ask him if he could directly support Yi in the founding of a new party. Kim was found unwilling, according to reports.

Still, Chong would not brush off Yi and Han with their new-party drive, however. Explaining, aides said that "it must be that as chairman of the Group of Independent Legislators, he cannot totally ignore Messrs Yi and Han who are now independents." But those close to Chong remain wary of Yi and Han, saying "Mr Chong may possibly be used by the two."

Especially, aides and those who know Chong agree that considering local sentiments in the Taegu-North Kyongsang region, his constituency, as well as human relations he cultivated in the military and officialdom during his long career, the possibility is all but slim of his joining hands with a Central Korea-based new party as planned by Yi and Han. Only if the DLP should continue to fail to meet his terms to join it, however, or if the voter rejection of the two Kims should explode, he might change his mind but, even in that case, it is doubtful if he will see Yi and Han as his partners, they say.

Despite this situation, Chong still refuses to clarify his position, spawning much speculations that he might perhaps be engaged in some kind of bargaining with the DLP behind the scenes.

Because of the pressures he was subjected to when he was forced to resign from the 13th National Assembly and in the subsequent by-election, Chong has deep grudges against President No Tae-u. He openly remarked to the media recently that "I shall never again form any senior-junior relationship with President No and I shall never affiliate myself with the DLP as long as President No is its president." When he met with then DLP chairman Kim Yong-sam in June this year, Chong reportedly let him know about it, hinting that he would join the DLP if Kim became its president.

At the time, Chong—according to reports which he denied—asked Kim Yong-sam to "create conditions" to facilitate his entering the party by preparing an appropriate position and respectable treatment for him. He has since maintained indirect exchanges with Kim Yong-sam but received no specific answer from him. As a result, Chong's recent speech and action seemed to more or less reflect his disappointment.

Above all, in preparation for a post-election political realignment expected for late December, Chong appears to be also interested in establishing a bargaining group in the National Assembly made up only by independent members.

At present, there are 11 independents in the National Assembly. They are the nine pure independents—Kang Chang-hui, Yi Sang-chae, Kim Sang-ku, Yi Chae-hwan, Song Mu-yong, Ho Hwa-pyong, Kim Ho-il and Yi Kang-tu as well as Chong—plus Cho Yun-hyong who quit the UNP and Yim Chun-won who broke with the DLP. Including Yi and Han, who left the DLP and DP respectively on 17 August, and Pak Chan-chong of the New Party movement, the total number comes to 14.

Of them, Yi Sang-chae, Ho Hwa-pyong, Kim Ho-il and Yi Kang-tu are already leaning toward joining the DLP, however, while Kim Sang-ku is negative to moves for a bargaining group of independents. This makes it difficult for Chong to take the initiative for any move, whatever it may be.

Therefore, the fact that Chong does not say "no" to Yi's and Han's approaches and is deferring clarification of his attitude concerning the new-party drive is interpreted as indicative of his attempt to broaden the range of options for himself.

Among those who know Chong, the better they know him, the more of them are feeling that he is in his heart putting more weight on joining the DLP while keeping in touch with Yi and Han to use it as a springboard for "bargaining" or "pressing."

Kim Yong-sam, familiar with these things, is expected to see Chong on 19 August and make a certain promise to him. Noteworthy will be how Chong acts after the meeting. As far as YS [Kim Yong-sam] is concerned, he will undoubtedly be willing to embrace him by according him due treatment. But there is a reason YS cannot readily make a promise to Chong. It is that there clearly exists a faction within the DLP trying to restrain Chong's activity in connection with the leadership issue involving the TK (Taegu-North Kyongsang) forces, and that this faction is equally important to YS.

Therefore, even if Chong should participate in the new-party founding, he will very likely remain a fence-sitter for a considerably long period rather than taking on an active role right away. In that case, he could make himself vulnerable to suspicions that he might be dreaming of the presidency for himself outwitting Yi and Han.

* DLP's 'New Hanbaekhoe' Circle Divulged

922C0254A Seoul CHUGAN CHOSON in Korean 13 Sep 92 pp 12-15

[By reporter Yi Yon-hong]

[Text] There is a unique group called Hanbaekhoe within the DLP. It consists of 22 members who are freshmen legislators or legislators serving their second term. They meet once every week. The rate of attendance is 100 percent. It has a written action programme. All the members keep their group secret. The group has been active for four months without being exposed to the public. Studies on current political issues are the main area of their activity that has been divulged thus far.

At a time when all internal factions have been disappeared with the installation of Kim Yong-sam as DLP president, the knowledge of Hanbaekhoe's existence is drawing attention from inside and outside the DLP.

Nevertheless all of its member keep mum on the concrete details of their organization, whetting curiosity about it all the more. No non-member knows who its members are.

Hanbaekhoe was secretly organized by a small number of National Assembly members shortly after the last 24 March general election. Assemblymen Choe Pyong-yol, Yi Myong-pak, and Kang Sin-ok played a leading role in organizing Hanbaekhoe. It was organized as a friendship and study group when the DLP was in trouble over the nomination of its presidential candidate by vote. Assemblyman Yi is said to have come up with the idea of forming the group, but Yi himself refused to confirm it.

Members of DJP, RDP, NDRP Factions Included

Hanbaekhoe, which has the meaning of being grand and clean, signifies that it is a gathering of people striving for grand and clean politics. The name is also an abbreviation of the words "Mt Halla-Mt Paekdu Society."

At first glance, Hanbaekhoe resembles the "Gathering for Democratic Government and Reform" led by Yi Pu-yong and other DP assemblymen originally from non-party opposition groups. Their resemblance stops at the shared goal of achieving clean government. In reality, there are many differences between the two.

Hanbaekhoe, unlike the DP group, is chary of exposure. Hanbaekhoe may be the first group that has ever managed to conceal its identity and been active for four months without being exposed to the political community. A Hanbaekhoe member said that his group shuns exposure lest it should be seen as a factional group.

In fact, Hanbaekhoe is far from being a faction or sub-faction. Its members include members of the DJP, RDP, and NDRP factions. Its activity is also different from factional activity. As they claim, friendship and study are actually the main purpose of the group.

Unlike an ordinary political group, Hanbaekhoe has a formal prospectus and an action programme. But its members have not yet make them public because, according to their explanation, they "do not want to draw attention."

Hanbaekhoe keeps the list of its members under wraps as a matter of principle because it does not want to cause unnecessary misunderstandings by revealing the names of its members.

The members whose names have been divulged so far are: Assemblymen Kim Kil-hong, So Sang-chik, Yi In-che, Paek Nam-chi, No Sung-u, Kim Yong-il, Yi Sung-mo, Ham Sok-chae, Pak Hon-ki, Chong Pil-kun, Cho Chin- hyong, and Yi Sun-chae, in addition to Assemblymen Choe Pyong-yol, Yi Myong-pak, and Kang Sin-ok. What is singular about this group is that even independent Assemblyman Ho Hwa-pyong is among its members. Assemblyman Ho has played a leading role since its inception. Assemblymen Kim Kil-hong and No Sung-u are liaison officers.

Strict Standards for Admission

Hanbaekhoe members, although they are freshmen or two-term assemblymen, had played a very active role in society before being elected to the National Assembly. Each of them considers himself to be competent enough to bear comparison with any assemblyman serving his third or fourth term.

No one can join Hanbaekhoe simply by applying. An applicant is subject to a strict screening and requires the consent of all its members to join. Several assemblymen tired to join at the recommendation of its members, but failed to pass the screening.

There are four qualifications for Hanbaekhoe membership. First, an applicant must be a freshman or two-term assemblyman. Assemblymen serving three or more terms, who are "steeped in the old ways of politics," are rejected. This is because there is the possibility that their presence will muddy the general atmosphere of the group.

Second, an applicant must be politically immaculate. Anyone who has frequently changed their political line is disqualified. Political extremists are also disqualified.

Third, unless an applicant is appraised by local constituents as having worked faithfully on his job before becoming an assemblyman, he cannot qualify as a Hanbaekhoe member. Even an able politician is disqualified if he draws an unfavorable appraisal from his constituents of his performance prior to becoming an assemblyman. Fourth, an applicant must have a strong desire for research activities.

Hanbaekhoe embraces in its membership personages from all walks of life—judicial, entrepreneurial, bureaucratic, journalistic, and academic. With attention paid to the regional distribution of its membership, the 22 Hanbaekhoe members are evenly distributed among all provinces. Assemblyman Hwang In-song from the Honam area jointed Hanbaekhoe, but subsequently left the group after he became Policy Committee chairman. As a result, the Honam area is the only area not represented in Hanbaekhoe.

The most salient feature of Hanbaekhoe is the absence of a "boss." Ordinarily, there is always a boss in a political group, but Hanbaekhoe has none. All its members have a horizontal relationship with one another. This is made possible because Hanbaekhoe is a group of politicians with professional backgrounds.

It is rumored in the town that Hanbaekhoe was organized to support Kim Yong-sam, then DLP chairman, prior to his nomination by vote as DLP presidential candidate. But according to Hanbaekhoe members, its inauguration has nothing to do with the nomination.

Hanbaekhoe members meet on every Tuesday at 0700 in the morning. No other political group will meet at 0700 in the morning. All the members, except those traveling abroad, attend the weekly meeting. They discuss a variety of topics preselected for each week, including various pending political issues such as the questions of opening the National Assembly session and electing the heads of local governments. They also report on their activities in their respective constituencies.

On the 2 September meeting, members reported their new unique techniques used in managing their respective constituencies. On 25 August they invited Prof. Yu Chong-ki to preside over a seminar on the theme "Korean Politics as Seen from the Oriental Philosophical Point of View." Since its inception, Hanbaekhoe has organized four seminars by inviting outside experts.

Hanbaekhoe members also support one another in their activities inside and outside the National Assembly. For instance, they attend events in one another's constituencies without exception. Most members attended the recent reorganization rally of Assemblyman Yi Sung-mu's constituency and the unity meeting of Assemblyman Kim Yong-il's constituency on 30 August, although these events were purely local.

Meanwhile, they were urging Assemblyman Ho Hwa-pyong, an independent, to join the DLP, and recently obtained a promise to join. He is expected to announce soon his decision to join the DLP.

Politics With Consistency of Words and Deeds

Hanbaekhoe operates with the fees collected from its members. The membership fees are divided into annual and monthly fees, which are very moderate.

Being supported by the membership fees, it operates on a shoestring budget, unlike other political groups. Some of its members are rich, but the food bill is always paid from the membership fees. The menu for weekly meetings on Tuesday is a bowl of sollongtang (bone and beef soup with rice and noodle) costing 3,000 won each. To save money on renting the meeting place, they use Assemblyman Yi Myong-pak's Socho-tong office for their weekly meeting. They dine together from time to time; and on these occasions, they drink soju, cheap distilled spirits.

Hanbaekhoe seems to be a political group of experimental nature because much of what it does is largely different from the practices of conventional politicians. In a sense the group originated as a reaction against the conventional politics.

Hanbaekhoe members have organized their group as an expression of their aversion to conventional politicians. They are exploring a new political domain distinct from conventional politics.

Hanbaekhoe is said to have expressed strong dissatisfaction with conventional politics in its prospectus. The prospectus reportedly defines the current political practices as an object of distrust and promises to realize "politics with consistency of words and deeds," "responsible politics," "practical politics," and "trusted politics."

Hanbaekhoe is scheduled to announce its existence in a week or so.

It plans to make public its prospectus and action programme simultaneously. After making public its existence, Hanbaekhoe plans to print the results of the studies made by its members for distribution to all members of the ruling and opposition parties.

In particular, the members reportedly will stand in the van of the efforts to realize "inexpensive politics." They themselves are thinking of drafting the "Law on Inexpensive National Assembly Election."

For now, there seems to be no possibility that Hanbaekhoe will develop into a factional group with ulterior political goals. This prediction is based on the professed purpose of the groups and on the impression that each of its members seems to have no ulterior purpose.

It is difficult to predict that Hanbaekhoe will be able to achieve its intended objectives, however, for it is not clear as of now whether or not its members themselves will be able to cross the boundary of conventional politics which they abhor.

In the past many new politicians attempted political reform with a similar thought, but each time they failed.

One thing is clear, though, that is, our politics which gives rise to such moves will have no alternative but to change.

Burma

Parallel Government Discloses Australian Talks

BK2110064592 (Clandestine) Democratic Voice of Burma in Burmese 1430 GMT 20 Oct 92

["Press release of the National Coalition Government of the Union of Burma"—dated 16 October 1992 and issued in New York]

[Text] Dr. Sein Win, prime minister of the National Coalition Government of the Union of Burma [NCGUB], and U Peter Lin Binn, foreign minister, who are currently at the United Nations General Assembly in New York, held talks with Senator Gareth Evans, Australian minister for foreign affairs and trade, and Mr. Richard Butler, Australia's ambassador and permanent representative at the United Nations, on 30 September in New York.

At the meeting, the NCGUB ministers explained that the Burmese and indigenous national races are working together for peace and democracy in Burma for the first time in 40 years and that the delegation currently in New York is composed of leaders of national races from the Democratic Alliance of Burma [DAB].

At the meeting, Sen. Gareth Evans said that he had been informed by U Ohn Gyaw that the military government in Burma is sincerely striving to find ways to solve political problems and to end the civil war in Burma. Mr. Evans added that the SLORC told Australian Senator Chris Schacht during his visit to Rangoon that the SLORC had no reason not to hold talks with the DAB.

Dr. Sein Win responded by saying that the NCGUB and the DAB are prepared to hold talks in accordance with their policy of finding a political solution to political problems without resorting to the use of force. Dr. Sein Win added that the SLORC tends to reject conditions for holding any meaningful negotiations. Sen. Evans said that Australia would try to mediate at the United Nations in order to pave the way for more constructive talks in the future and to hold (?preliminary talks) between the leaders of the NCGUB and the DAB in New York and [words indistinct]. Dr. Sein Win welcomed in principle the Australian proposal and (?received comments) from the DAB leaders.

In response to the proposal on holding preliminary talks, U Kyaw Min, SLORC representative at the United Nations, told Australian Ambassador Richard Butler on (?9) October that there is no reason to hold talks as long as the NCGUB and the DAB have not returned to the legal fold. This response from the SLORC shows its blatant (?disregard) for the points contained in the 5 October speech by U Ohn Gyaw at the 47th UN General Assembly and clearly proves that the SLORC has no intention of honoring the wishes of the Burmese people.

Agriculture Minister Meets With Lao Counterpart

BK2010162392 Rangoon Burma Television Network in Burmese 1330 GMT 20 Oct 92

[Text] An eight-member high-level delegation led by General Sisavat Keobounphan, minister of agriculture and forestry of the Lao People's Democratic Republic [LPDR], arrived in Yangon [Rangoon] by Myanmar [Burma] Airways at 1000 this morning.

The delegation was welcomed at Yangon airport by Major General Myint Aung, minister of agriculture; Lao Ambassador Mr. Kideng Thammavong and embassy oficials; and responsible personnel.

The Lao agriculture and forestry minister and delegation called on Maj. Gen. Myint Aung, minister of agriculture, at the reception hall of the Myanmar Agricultural Enterprise on Natmauk Road in Yangon at 1400. At the meeting, cordial and frank discussions were held on technical exchanges and cooperation matters in the agricultural sector.

The visiting minister and entourage called on U Ohn Gyaw, minister of foreign affairs, at the Foreign Ministry Annex at 1500 in the evening. At the meeting, cordial and frank discussions were held on matters relating to continued bilateral cooperation.

Maj. Gen. Myint Aung, minister of agriculture, hosted a dinner in honor of the visiting Lao minister and entourage at the Yuzana Hall of the Myanmar Agricultural Enterprise on Natmauk Road in Yangon at 1900.

The Lao minister for agriculture and forestry and his party will stay in Myanmar until 26 October and will study agriculture, livestock breeding, and forestry matters.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Returns Home From Japan Visit 21 Oct

BK2110114192 Kuala Lumpur BERNAMA in English 1001 GMT 21 Oct 92

[Text] Kuala Lumpur, Oct 21 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed returned Wednesday from a visit to Japan and said Japanese businessmen and officials were beginning to show greater interest in the proposed East Asia Economic Caucus (EAEC).

He said this was an encouraging development because at one time they had shown disinterest in the matter.

"It looks like Japanese businessmen and officials want to know more about the EAEC. This is good," he told a news conference at the Kuala Lumpur International Airport here.

The prime minister said there was no specific programme for him during his visit to Japan. He delivered a speech to businessmen and diplomats on Malaysia's views on various international matters, including the EAEC.

He also said that a large business newspaper, NIHON KEIZAN SHIMBUN, interviewed him during the four-day unofficial visit, and he was questioned at length on the EAEC.

Government To Cooperate in Action Against Austria

BK1010144192 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 10 Oct 92

[Text] Malaysia will cooperate with other ASEAN countries to act against Austria which has implemented a law on labelling tropical wood products. The Minister of Primary Industries, Datuk Sri Dr. Lim Keng Yaik, said the action taken by Austria is not in keeping with the forestry principle collectively agreed at the United Nations Conference on Environment and Development, UNCTAD, in Rio last June.

The labelling which was approved by the Austrian Government on the first of last month is a form of discrimination against trade. He said Malaysia will take all kinds of measures including legal, diplomatic and political channels to counter such action to protect its tropical wood. The minister told newsmen this after opening Quality Day and the seventh anniversary of the Forest Research Institute of Malaysia in Kepong, near Kuala Lumpur.

He added that though Austria imported a small amount of Malaysian tropical wood, its action might cause other countries to take similar steps in labelling tropical wood.

Trade Minister Meets Netherlands Counterpart

BK1210072692 Kuala Lumpur Voice of Malaysia in English 0600 GMT 12 Oct 92

[Text] Malaysia is to intensify efforts to increase the volume and value of trade with the Netherlands. The minister of international trade and industry, Datuk Sri Rafidah Aziz, says the value of Malaysia's exports to the Netherlands has been on the increase except for the year 1990. This was due to the unfavorable commodity prices. In 1991, the export value was 2,777.7 million ringgit as compared to 2,095.1 million ringgit in 1990. In the first half of this year, exports totaled 1,186.8 million ringgit.

She said this in her welcoming address to Netherlands Secretary of State for Economic Affairs in Charge of Foreign Trade Yvonne van Rooy who is leading an economic mission. Datuk Sri Rafidah also noted that the ministry is setting up a distribution center in Rotterdam and it is expected to be operational in October next year. She expressed the hope that the country will invest more in the future. Between 1980 and up to this year, the ministry has approved 29 projects from the Netherlands, and she hopes the number will increase. In the first eight months of this year, the ministry also approved two projects—glass and wooden doors—with a total investment of U.S. $2.5 million.

Forest Management Committee Accord

BK1310073292 Kuala Lumpur Radio Malaysia Network in English 0600 GMT 13 Oct 92

[Text] Malaysia and the Netherlands have agreed to set up a high-level committee to undertake and put into action the International Tropical Timber Organization's guidelines on tropical forest management. The minister of primary industries, Datuk Sri Dr. Lim Keng Yaik, says the committee will comprise experts, government officials, scientists, producers, and importers from both countries. It is expected to convene its first meeting to exchange views within the next two to three months. The committee will give an assurance to tropical timber consumers in Europe, and in particular the Netherlands that Malaysian timber comes from sustainable sources. Datuk Sri Dr. Lim told newsmen this after talks with visiting Netherland Minister for Foreign Trade [title as heard] van Rooy in his office in Kuala Lumpur.

Official Expresses Concern Over UN Work Load

BK1010141892 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 10 Oct 92

[Text] Malaysia is concerned that the dramatic increase in work load and activities of the UN Security Council will lead to double standards in addressing threats to international peace. Malaysia's permanent representaive to the UN, Tan Sri Razali Ismail, said it is becoming a serious cause for concern that the end of the cold war and the collapse of the communist bloc have unleashed nationalist conflicts and ethnic strifes which are overstretching the capacity of the UN. The effect had brought severe strain on the capacity of the organization to function effectively.

Speaking at the plenary session of the UN General Assembly in New York, he said more importantly it is also becoming a serious (?test) case on the UN concept of collective security at a time when so much was expected out of the world body.

Malaysia is particularly concerned that such a situation would, in the name of expedience, encourage collective and double standards in addressing threats to international peace and security.

Cambodia

Prince Sihanouk Receives UNTAC Chief 16 Oct

BK1910052392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 18 Oct 92

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk, Cambodia's head of state and chairman of the

Supreme National Council, granted an audience to His Excellency [H.E.] Yasushi Akashi, special envoy of the UN secretary general and head of the UNTAC [UN Transitional Authority in Cambodia], at 1800 on 16 October at the Khemarin Palace.

Speaking on that occasion, H.E. Yasushi Akashi informed the prince of the UN Security Council's resolution on the holding of the free and general elections in Cambodia in May 1993, even without the Khmer Rouge's participation. He also presented the UN [words indistinct] to the prince.

In his reply, HRH Prince Norodom Sihanouk welcomed UN Secretary General H.E. Butrus Butrus-Ghali's contribution to restoring and rebuilding Cambodia, particularly to seeking peace for the Cambodian people.

HRH Prince Nodom Sihanouk also thanked H.E. Yasushi Akashi for his efforts to promoting the implementation of the Cambodian peace process.

Sihanouk Chairs SNC 21st Meeting in Phnom Penh

BK2010061292 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 20 Oct 92

[Text] At 0900 on 20 October at the Chan Pavilion in the Royal Palace, the Cambodian Supreme National Council [SNC] solemnly held its 21st session under the lofty chairmanship of His Royal Highness Prince Norodom Sihanouk, father of the nation, head of state, and SNC chairman, with the participation of Yasushi Akashi, special representative of the UN Secretary General and chief of the UN Transitional Authority in Cambodia [UNTAC]; and Behroz Sadry, UNTAC deputy chief; General John Sanderson, military commander of the UN peacekeeping force in Cambodia.

SNC members attending this 21st meeting were His Excellency [H.E.] Dit Munti, information minister of the State of Cambodia [SOC]; H.E. Hor Namhong, SOC foreign minister; H.E. Ieng Muli, general secretary of the Khmer People's National Liberation Front [KPNLF]; H.E. Im Chhunlim, SOC education minister; H.E. Khieu Samphan, representative of the Party of Democratic Kampuchea; Prince Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party; H.E. Sin Sen, SOC deputy minister for national security; and H.E. Son Sann; KPNLF chairman.

Their Excellencies representatives of the five major powers, permanent members of the UN Security Council; ambassadors; diplomatic representatives; permanent representatives of various embassies accredited to Cambodia; representatives of various international organizations in Cambodia; and many high-ranking officials of the UN peacekeeping force in Cambodia, were also present.

Article Examines Elections History, Prospects

BK2010154592 Phnom Penh PHNOM PENH POST in English 25 Sep 92 pp 2,5

[Article by Michael Vickery, lecturer at Universiti Sains Malaysia in Penang, "Cambodia's Elections: Retrospect and Prospect"]

[Text] However bizarre it may seem, Cambodia has been singled out—among several Southeast Asian nations with poor election records—to be graced by UNTAC's presence to achieve an end to factional conflict via a free and fair election, now planned for May 1993.

Recent press items I have seen assert that this will be Cambodia's "first free and fair election," or the first since Sihanouk won an election in 1955 following the end of the first Indochina War and the Geneva Accords of 1954.

Moreover, during a month-long visit to Cambodia in June, I discovered that some people in UNTAC, including some involved in preparing the electoral process, believed that the upcoming election would be not only the "first free and fair" contest, but the first election ever. Even those rather high up in the UNTAC bureaucracy had only the vaguest notions of what Cambodia's electoral experience had been.

In view of this, readers of the Phnom Penh Post might welcome a rundown of Cambodia's electoral history.

Let us start with a couple of facts which may be unpleasant, or at least surprising, depending on where the reader's preconceptions lie.

The election planned for next May will not be the "first free and fair one," nor even the second. It will, however, be the first free and fair election since 1955, though not in the sense imagined by the journalist paraphrased above. In fact it will be the first free and fair contest since the Geneva Accords, for the election of 1955—although supervised by an International Control Commission (ICC) composed of representatives from Canada, India and Poland, and declared 'correct' by the supervisors—was really Cambodia's first crooked election. So watch out, UNTAC.

There have in fact been three elections in Cambodia which, as far as can be determined from the written record and recollections of surviving participants, were to a great extent free and fair in the sense desired by UNTAC.

These elections were multi-party and each party had its newspaper which informed readers of its program, denounced its rivals, and, in the case of non-government parties, criticized the government in power.

At election time the ballot was secret, the winners never got suspiciously overwhelming majorities. But in perhaps the ultimate proof of fairness, in all three elections the wrong party won, in the eyes of the real power holders, yet was not hindered from forming a government.

These three free and fair elections were held in the last years of the French Protectorate—in 1946, 1947 and 1951—before Cambodia became independent. There was in fact some limit on full political freedom. No overt communist party would have been allowed, and it was assumed by the French that the Cambodian parties accepted their country's position within the French Union. Independence could not be an electoral issue.

Following World War II, France—perhaps embarrassed by the collaboration of its Indochina administration with the Japanese from 1941-1945, and with strong leftist parties in the metropole—allowed herself to be dragged into the twentieth century, and adopted a policy of permitting constitutional government in the three Indochina states, which would then acquire a good deal of internal autonomy within the French Union.

Until then Cambodia—a protectorate not a colony—was governed indirectly by French officials alongside and through the traditional Cambodian monarchy and local administration which to a large degree were left in place. It was a system not unlike that now envisioned by the UNTAC Civil Administration Component to supervise Cambodia pending the next election.

The constitution promulgated in Cambodia bore much resemblance to that of the French Fourth Republic, with a strong National Assembly and ministerial government responsible to the Assembly. The election of 1946 was for a Constituent Assembly to discuss and adopt a new Constitution, and the contests of 1947 and 1951 were for the National Assembly.

Three parties were formed in 1946, each led by a prince. One remained very small and unimportant. Another, the "Liberals," represented conservative wealth and was pro-French with no interest in independence. The third, the "Democrats," was a party of young intellectuals and progressive bourgeoisie, with a leader who had returned from France with an excellent university record.

In those first three elections the Democrats won respectively 50, 54 and 55, out of 67-78 seats contested. This was probably not only because their representatives were more capable, but because they were known to have a covert program advocating full independence, and seemed to maintain contact with, and respect for, the Cambodian guerrillas fighting for independence along side the forces of Ho Chi Minh.

This made them the "wrong" party for the French; and a lack of respect for traditional royalty—perhaps even a hint of republicanism—made them the "wrong" party in the eyes of King Sihanouk too. Yet until 1952, the rules of democracy were observed to a surprising degree. Proof of this is not only that the Democrats were not cheated out of victory, but that they, when in power, allowed their opponents to catch up with them.

Parties farther to the right of the Liberals began organizing for the second election in 1947. The first was one under Lon Nol, who overthrew Sihanouk in 1970, but who until that year had been one of Sihanouk's most reliable supporters.

By 1951, there were six of these new right-wing parties, none of which won more than four seats in an election. But in the 1951 election, their total popular vote had risen to 100,400 against the Democrats' 144,700 and the Liberals' 72,000. It was clear that any movement which could unify the Right could cut the ground from under the Democrats.

They had been weakened by the loss of their two best leaders, to illness and assassination respectively, and had lost popularity through the incompetence and corruption of some of their ministers, and perhaps by their failure to gain independence.

The relative decline of the Democrats and the organization of the right gave Sihanouk the opportunity to force the government's resignation in 1952 and take control himself, promising to achieve full independence within three years. In 1953 he dissolved the National Assembly, proclaimed a special emergency law,and ruled alone with his rightwing supporters.

In October of that year, France gave Cambodia independence, happy to be able to present it to a safe conservative elite,rather than to the anti-French Democrats.

Post Independence

Independence came within Sihanouk's time limit because France was losing the war against Vietnam; and at Geneva in 1954 France was forced to recognize the independence of all three countries of Indochina.

The terms of Geneva were a blow to the Cambodian communists who had fought alongside Vietnam, for unlike their fellows in Vietnam and Laos, they were not allowed a regroupment zone. On the other hand, the Geneva Accords were also a danger to the Cambodian right, and to Sihanouk's style of government, in the provision that internationally-supervised elections must be held by 1956 according to existing constitutions, and with freedom for all political parties, including new ones formed by former communist guerrillas.

Sihanouk's autocratic nonparliamentary regime had to end, and it was expected that the Democrat party, revitalized with a new leadership of university graduates returned from France together with a new leftist party representing the legal wing of the Communist guerrillas, would make good showings, capturing at least strong minorities in the National Assembly.

That was not to be. The conservative parties came together under Sihanouk, and the preelection government still controlled by Sihanouk appointees from 1953 were able to prevent a fair campaign.

Harassment and arrest of Democrats and leftists, closure of non-Sihanoukist newspapers, and even murder characterized the 1955 campaign, and the election gave all seats in the new National Assembly to Sihanouk's group, the Sangkum Reas Niyum, generally known in English as the "Popular Socialist Community."

The first election in independent Cambodia was also the country's first dubious contest, and was nevertheless certified "correct" by the International Control Commission.

Thereafter free and fair elections were unknown in Cambodia. During the Sihanouk regime the elections in 1958 and 1962—with a few exceptional, and unsuccessful candidacies by former guerrillas in 1958—were single-party, single-candidate exercises.

In 1966 multiple candidacies, but no opposition parties were allowed, and most seats were won by old politicos who gained votes by influence or money. Thirteen of the winners had been unsuccessful candidates of right-wing parties in the 1951 elections, and had not campaigned, or been nominated by Sihanouk, thereafter.

"I let them elect the most corrupt and reactionary Chamber I was ever subjected to," Sihanouk himself was quoted as saying in 1966, not of course acknowledging to his interviewer that the result was precisely what he had planned as a remedy against growing influence of the left.

After Sihanouk's overthrow by Lon Nol in 1970, the election in 1972 was even more fraudulent: and nothing need be said about the election announced by Democratic Kampuchea [Khmer Rouge] in 1976.

By contrast the 1981 election held by the People's Republic of Kampuchea [the Heng Samrin party]—single-party but with more candidates than seats—represented a step back toward democratic practices.

Prospects for UNTAC

Is UNTAC like the French army in the 1930s, preparing for the last war, that is for a situation like 1955? And if so, is their goal to promote a similar result or to avoid it? Is Sihanouk making similar preparations; and are the other contesting parties? That is, does UNTAC imagine that the danger to freedom and fairness next year comes from a govermnent which will try by hook or by crook to win all seats, as Sihanouk did in 1955? That is no longer a danger, even if the State of Cambodia had once had such an intention.

The very overwhelming presence of UNTAC, much greater than the 1955 International Control Commission, has already blocked that outcome. There is no way that the Phnom Penh government can impede campaigning and voting for other parties and the election of their candidates.

There is, however, risk of a repeat of 1955, and the government and ruling party of the State of Cambodia certainly do have 1955 in view, for they are the political heirs of those groups who were victims of the peculiarly 'correct' exercise of 1955. Sihanouk is still the one to watch. He may be trying for a repeat of 1955, even though he is outside the government now formally in power.

Under the first Cambodian constitution, which was in force after the Geneva Accords and under which the 1955 elections were held, Sihanouk as king was in a sense above politics, even though he had forcefully intervened in 1952-1954

Now again, as President of the Supreme National Council he occupies a similarly exalted position, both in and out of political competition. As soon as he returned last year he left his own party to his son Ranariddh, as in 1955 he declared at first that he would not be the leader of any political party.

As noted above, before the 1955 elections, several conservative parties were formed as vehicles for ambitious politicians. Some of them, like Sihanouk supporters Lon Nol and his colleague Nhiek Tioulong were powerful in their own right, though none were popular enough to win a significant number of seats for their parties in an election.

Now again, and as designed by the Paris Peace Agreement, new parties are sprouting. Sihanouk's original Funcinpec is run by his son, while the "Khmer Neutral Party" has formed under Buo Herl, and now an "Action for Democracy and Development Party " led by Chak Saroeun has appeared.

Buo Herl is an old Sihanouk courtier of interesting background. His father, Buor Hong, was a Sihanouk stalwart in the 1950s, and his grandfather was Prince Norodom Phanilath, making him a distant cousin of Sihanouk.

Perhaps more significant has been his business activity since 1979. He was author of the first publicized attempt, in 1982, to secure an agreement to export timber from the contra zone of northwest Cambodia to Thailand, in a caper that Sihanouk had apparently authorized.

On Nov. 27 of that year The Nation (Bangkok) headlined "Sihanouk Endorses Timber Agreement," and cited Buo Herl, a high-ranking official in Sihanouk's group, for the news that they had signed an agreement with a private Thai company to supply one million cubic meters of Cambodian timber.

A few days later Sihanouk denied that he had backed the deal, but nevertheless was quoted as saying he "hoped that the contract would be approved by other members of [the coalition]."

I do not know how that affair ended, but the large-scale shifts in control of border areas over the ensuing four years may have ended Sihanoukist control over the planned timber concessions. Later Khmer Rouge export of timber to Thailand may have been based on the Sihanoukist opening.

Other parties are offshoots of Son San's KPNLF—Son Sann's own party, and Sak Sutsakhan's Liberal Democratic Party—while the SOC People's Party too has begun to split, and will undoubtedly subdivide further.

Perhaps most interesting, or worrisome with 1955 in mind, was the announcement in the People's Party newspaper, Pracheachon, of June 27, 1992 that the People's Party represents the continuation of the ideals of Sihanouk's old Sangkum Reas Niyum.

In addition to his formal position, Sihanouk's situation bears other resemblances to 1955. Then he enjoyed the aura of having secured independence, which had eluded the Democrats while they dominated the National Assembly and government. Now he is gaining credit, with much less justification, for getting rid of the Vietnamese and assuring security.

Suppose that next May, in evident opportunism, and to unseat the SOC, the parties of vague intention and under little-known leaders—like the right-wing splinter groups of 1955—join under a Sihanoukist banner. The SOC, attempting to counter them, will then reduce its appeal to the lowest common denominator of rallying to Sihanouk.

In those circumstances the SOC risks losing the support of Cambodians who approved of its policies and record when they represented something different, and the right-wing may carry off all, or most seats, in the new parliament. It will be formally free and fair, but Cambodia will be saddled with a government like that which led the country to disaster from 1955 to 1975.

And the Khmer Rouge, again, will be waiting in the wings.

Sihanouk Views 'Unjust' Article

BK2010161992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 20 Oct 92

["Statement by His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia"; date and place not given—read by announcer]

[Text] Due to illness for a few weeks in September-October 1992, I did not have time to read the majority of newspapers that report on Cambodia the way I used to. This morning I started to read an article—signed by Michael Vickery and disseminated in the 25 September 1992 issue of the newspaper PHNOM PENH POST—that deliberately opposes Sihanouk and Sangkum Reas Niyum [name of Sihanouk's former political party].

The article by Michael Vickery makes many points about historical events which are intended to unjustly drag my (?story) into mud and to damage the prestige of my regime, the Sangkum Reas Niyum.

Due to lack of time, and as this morning I had to attend the meeting of the Cambodian Supreme National Council with UNTAC [UN Transitional Authority in Cambodia], I cannot respond at length to the incorrect and unjust affirmations of Michael Vickery against me. Therefore, I would like to provide the following clarifications:

1. Vickery writes that the election in 1955, although it was supervised by an international control committee and although it was pronounced proper, was the first improper election in Cambodia. He accused me of rigging the election which was meticulously supervised by India, a country well known for being neutral and very careful; Poland, which at that time was close to the Khmer Vietminh [pro-Vietnamese Cambodian communists] and opposed Sihanouk; and Canada, representative of the Free World and not pro-Sihanouk and which at that time was opposed by Sihanouk. This is a bit too much and unjust.

2. In the 80's, I never agreed with the intention or proposal of Buo Herl, my cousin, to exploit forest and timber resources in FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] zones. On the contrary, I categorically opposed it.

3. At the end of his article, Michael Vickery expresses concern over my leadership again in the country toward the disaster of the year 1955 and later years.

Respecting only themselves and not historical truth, morale, objectivity, and justice, many Western authors have written that the era of the Sangkum Reas Niyum, my regime from 1955 to 1969, was a disaster for Cambodia. In fact, it was the only era of honor and construction for Cambodia in the 20th century. On this issue, many honest reporters, including Western ones; unbiased diplomats, including Western diplomats; and major personalities known for their honesty, such as Mike Mansfield, former Senator and former U.S. ambassador, are witnesses to the positive and constructive role and the deeds of Sangkum Reas Niyum from 1955 to 1969.

Khmer Rouge Early Oct Cease-Fire Violations

BK1310093192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 12 Oct 92

[Text] According to the State of Cambodia's [SOC] Committee for Coordinating Military Affairs with the

United Nations, during the first week of October, the Party of Democratic Kampuchea violated the SOC's sovereignty by plundering, robbing, pressuring, and intimidating state authority and people, and also bringing in weapons and ammunition to hide in the zone under SOC control to prepare for its forthcoming offensives against a number of positions of the Cambodian People's Army [CPA].

The source says that in Stung Treng Province on 1 October, a group of Khmer Rouge soldiers threatened the SOC's state authority and people in (Sre Krasang) Village, Sre Krasang Commune, Siem Bok District, saying that their forces would attack and seize the district in the future.

On 3 October, (?seven) Khmer Rouge soldiers with seven weapons, four B-40's, and three AK's, ambushed a passenger vehicle on National Route 13 from Stung Treng to Laos. The above Khmer Rouge troops robbed 2,000 baht [Thai currency] and 30,000 riel [Cambodian currency] from the people.

In Siem Reap-Oddar Meanchey Province on 4 October, the Khmer Rouge attacked a CPA position in Sre Noy. In Banteay Meanchey Province on 4 October at 1630, about 10 Khmer Rouge soldiers attacked (Krasao) Village in Thamr Puok District while another group of soldiers robbed four cattle from people in (Smach) Village, Thamr Puok District.

On 30 September in Kompong Thom Province, between 30 and 40 Khmer Rouge soldiers attacked Trapeang Chrey Village in Baray District, and robbed 13 ox carts and a quantity of rice and other material. The above Khmer Rouge troops then used these ox carts to transport a large quantity of ammunition to (Ta Phi) and (Muk Kampul) border area. Also on 30 September, between 300 and 400 Khmer Rouge soldiers from Regiment 785 crossed Stung Sen river and transported all types of weapons and ammunition toward Muk Kampul.

Security Lack in Pursat Prevents Refugees Return

BK1010085492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 10 Oct 92

[All figures as heard]

[Excerpt] War refugees in Pursat Province, who have fled from remote areas because of the war waged by the Khmer Rouge, have not yet returned to their original places.

So far, of the 1,022 families of war refugees, 786 have returned to their original places. A number of the remaining 234 families is making preparations to return to their original places. However, other families have said they will not return because there is no security yet in those places.

Although the military situation has been partly resolved following the Paris peace agreement on Cambodia, the Khmer Rouge still cause confusion and frequently rob people in remote areas, for instance in Krakor, Kravanh, and Bakan Districts. Furthermore, these areas still contain many mines which have not yet been defused. Another factor is that war refugees, who have fled to refugee camps, have been allocated land to work on by village and commune authorities of our State of Cambodia. [passage omitted detailing aid distribution by various organizations to war refugees]

KR Growing Active in Japanese Troops' Work Area

OW1210194492 Tokyo KYODO in English 1508 GMT 12 Oct 92

[Text] Kampot, Cambodia, Oct. 12 KYODO—Khmer Rouge [KR] guerrillas are beefing up their activities in areas where Japanese peacekeeping troops will repair roads and bridges in Cambodia, French military sources said Monday.

According to the sources, the guerrillas often show themselves near National Route 3, along which the Japanese ground Self-Defense Force main engineering corps is expected to repair damaged roads and bridges.

The sources said the rebels had appeared 15 kilometers northeast of Kampot and in areas 55 kilometers north of the city, which is about 150 kilometers southwest of Phnom Penh.

The entire area is used for transporting goods from bases for the U.N. operations in the west of the country to ones in the east, they said.

The 376-member main Japanese team is scheduled to leave for Cambodia on Tuesday and Wednesday.

French infantry corps of the U.N. Transitional Authority in Cambodia stationed in Kampot is calling on the Khmer Rouge to disarm and is monitoring its activities.

The faction is refusing to lay down its arms in defiance of a peace accord it signed in Paris in October last year.

The French sources said about 400 Khmer Rouge guerrillas are believed to be located around Kampot.

One French source said, "We are urging the guerrilla faction not to expand their activities. Their further action may prompt clashes with the Phnom Penh government."

The Japanese Government gave the go-ahead to a plan last month to send more than 1,800 military and civilian personnel to Cambodia, and advance teams are already in the country to make preparations for the arrival of the main engineering corps.

UNTAC Criticized for Aiding Phnom Penh

BK1410054592 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 13 Oct 92

[Unattributed commentary: "Exposing the Bad Elements Who Have Given Budgetary and Financial Aid to the Vietnamese Aggressors' Puppet Regime Which Has Opposed the Paris Agreement and the One Responsible for All Consequences Arising from This Opposition"]

[Text] It was reported that the UNTAC [UN Transitional Authority in Cambodia] has gathered the Asian Development Bank, World Bank, and International Monetary Fund to prepare a huge amount of budgetary and financial aid for the Yuon [derogatory term for Vietnamese] puppet regime in Phnom Penh, reasoning that if financial support is not quickly provided, the Phnom Penh puppet regime will totally collapse within the near future.

All this runs totally against the 23 October 1991 Paris agreement, allows the puppet regime to continue controlling all affairs in Cambodia, and denies all roles for the Supreme National Council [SNC].

In a real sense, it helps the Yuon aggressors to carry on their aggression and occupation of Cambodia while accusing Democratic Kampuchea of disregarding the agreement.

What is the cause for the puppet regime to be on the brink of collapse? Why has the value of the puppet regime's riel currency dropped so low?

The causes are:

1. The Phnom Penh puppet regime is a nation-selling regime which has served and helped the Yuon aggressors to annex Cambodia. The Yuon puppets have sold out Cambodia's national assets and state and private land, houses, and buildings.

2. The puppets have printed huge numbers of riel banknotes and used them in cheating the people and serving the Yuon's war of aggression and occupation of Cambodia.

The Cambodian nation and people resolutely oppose the nation-selling regime, which has served the Yuon aggressors in annexing Cambodia.

The Cambodian nation and people resolutely oppose all attempts to give budgetary and financial aid to the Yuon aggressors' puppet regime.

All these are attempts to destroy and avoid implementing the Paris agreement and prevent Cambodia from achieving independence and peace and the Cambodian people from enjoying their right to self-determination.

The UNTAC must stop this act in violation of the Paris agreement and instead take measures to let the SNC play its role as a legitimate body and sole source of power in Cambodia.

If the bad elements insist on committing this act, they must be held totally responsible for the implementation of the agreement and for all the bad consequences.

Thai Official in Capital To Help With Deadlock

BK2110022392 Bangkok BANGKOK POST in English 21 Oct 92 p 6

[Text] Deputy Permanent Secretary for Foreign Affairs Sarot Chawanawirat was due to meet a senior United Nations official in Phnom Penh yesterday as part of preparations for talks aimed at convincing the Khmer Rouge to return to the peace process.

A mid-afternoon meeting was reportedly scheduled between Mr Sarot, a Japanese government official and the UN Secretary-General's special representative and head of the United Nations Transitional Authority in Cambodia (UNTAC), Yasushi Akashi. Consultations with Cambodian head of state Prince Norodom Sihanouk were scheduled to take place later, the reports said.

Mr Sarot left for Phnom Penh yesterday morning with the head of the Japanese Foreign Ministry's Southeast Asia Division Tadamichi Yamamoto. The two officials were expected to stay in the Cambodian capital until tomorrow when they will return to Bangkok.

A UN Security Council resolution adopted in New York on October 13 gives Thailand and Japan until the end of this month to persuade the Khmer Rouge into conforming with the Paris peace agreement signed almost a year ago. The guerrillas were given until November 15 to join the peace process or face "further steps".

The UN Security Council refused to adjust the timeframe for general elections—to be organised by UNTAC [UN Transitional Authority in Cambodia] by May next year at the latest.

The director-general of the Asian Affairs Bureau Tadashi Ikeda, yas unavailable for the Phnom Penh trip, but he is expected to join the tripartite talks with the Khmer Rouge, sources said. These talks are expected to take place in Bangkok next Thursday but the date is still subject to change. Mr Ikeda and Mr Sarot engaged in two rounds of inconclusive talks with Khmer Rouge nominal leader Khieu Samphan in Bangkok on August 22 and 27.

The Khmer Rouge have refused to lay down their arms according to Phase Two of the agreement signed by 18 countries in Paris on October 23, 1991.

The guerrillas want fuller authority for the Supreme National Council and verification of the departure and non-return of Vietnamese troops. The Vietnamese Embassy in Phnom Penh yesterday issued a statement reiterating that its troops had left the country in September 1989 and had not been replaced.

The Khmer Rouge claim a large number of Vietnamese settlers entered the country following the arrival of UNTAC late last year. They say the Vietnamese arrivals are in violation of the peace agreement.

UN's Akashi Temporarily To 'Freeze' Disarmament

OW2110120592 Tokyo KYODO in English 1148 GMT 21 Oct 92

[Text] Phnom Penh, Oct. 21 KYODO—The top United Nations official in Cambodia said Wednesday [21 October] he will order a temporary freeze on the disarming of three factions to counter the Khmer Rouge's refusal to disarm.

Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia, said in an interview with KYODO News SErvice that such a freeze is necessary to maintain a balance of power in Cambodia.

The Khmer Rouge's refusal to join the second phase of the Paris peace agreement has hampered the U.N. campaign to achieve peace in the war-torn country.

The accord requires the Khmer Rouge and two other guerrilla factions and the Phnom Penh government to disarm under U.N. supervision.

Montagnard Guerrillas Renounce War Against SRV

BK1110120192 Hong Kong AFP in English 1105 GMT 11 Oct 92

[Text] ORWEI, Cambodia, Oct 11 (AFP)—A rag-taggle army of lightly armed but highly respected tribal guerrillas this weekend ended their long hit and run war against the Vietnam Government in a remote forest clearing in eastern Cambodia.

The tough Montagnard fighters and their families, 398 people from 97 families in all, were shuttled out of their idyllic but harsh sanctuary in Mondolkiri Province aboard six massive MI-26 helicopters on Saturday.

They headed for U.N. protection in Phnom Penh, probably the first city they have ever seen in their life, and eventual resettlement in the west.

Before boarding the choppers, the last 15 armed guerrillas of a force of about 250 ceremonially handed over their aged but immaculately maintained weapons to Uruguayan soldiers of Cambodia's U.N. peace-keeping force.

Colonel Leonel Milone of the South American nation said they had brought in 194 weapons and 2,567 rounds of ammunition.

Their arsenal included two grenades, wo soldier-ired rockets, a handful of mortar rounds and an assortment of carbines and Sovet and U.S.-made assault rifles.

Colonel Y Peng Ayun, the grey breaded leader of the remnant force of the United Front for the Liberation of Oppressed Races (FULRO) Montagnard guerrilla army, then handed their flag in the hands of Milone and renounced the struggle against Hanoi.

"I stop fighting the Vietnamese communist government in Hanoi," a 45-year-old Montagnard officer, Colonel Uhinnie, quoted his commander as telling the Uruguayan.

The group posed a fresh problem for the U.N. Transitional Authority in Cambodia after French troops first made contact with the devout Christian Montagnards in June at their sprawling stronghold some 40 kilometres (25 miles) from the border with Vietnam.

The group, regarded with hostility by Hanoi and Phnom Penh, wrote asking for U.N. protection and to be moved from the forest and later requested refugee status and resettlement in the United States or France, a senior U.N. High Commissioner for Refugees official said.

They will now be interviewed in Phnom Penh and are expected to be resettled, mostly in North Carolina with fellow Montagnards who escaped to Thailand in 1985.

The long lost fighters and their families left behind three villages—over a 20-kilometre (12-mile) square area—of wooden and bamboo huts along with simple open air Catholic and Evangelical churches where their choirs would sing hymns in the morning mist.

They lived off the land, growing rice, maize, suash, pumpkins and chilli, raising chickens, and catching fish from the Orwei river.

The Uruguayans found that about 50 percent had some sort of ailment, mainly malaria, dengue fever and infected cuts.

Bisa Sukbong, 52, an evangelical preacher who teaches from a Montagnard Bible, said his people had crossed into Cambodia in 1979 "because in Vietnam there were many difficulties for us to live."

Yhinnie was more succinct: "The Vietnamese occupy all my land."

Their forgotten war began in 1964 and picked up steam when they were armed and trained by the United States to fight the Vietnamese communists.

The Monatagnards carried on their struggle after the fall of South Vietnam in 1975, but suffered heavy losses in the late 1970s.

One of the U.N. military observers sent here three weeks ago said that as far as he knew there had been no clash with the Vietnamese for at least two years.

But the blue berets paid high tribute to the spirit, hospitality, dedication and military skills of the guerrillas, with whom they have been living cheek and jowl.

The men, who went out on patrol every day, relied on "a cross between American special forces tactics and their own bush savvy," Australian signalman Fraser Mckenzie said, adding: "They don't use mines—they like it up front."

One member of the seven-strong U.N. force here, reckoned that the Vietnamese would have needed an advantage of at least three to one to flush out the Montagnards from their backwoods kingdom.

With the nearest settlement more than 30 kilometres (20 miles) away, nature will once more be total master of this innocent paradise.

Activities of Chea Sim in Malaysia Reported

BK1010143192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 10 Oct 92

[Text] During its visit to Malaysia, the high-level delegation led by His Excellency [H.E.] Chea Sim—chairman of the Cambodian People's Party, National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense—visited the Federal Land Development Authority center, some 50 km from Kuala Lumpur, on the morning of 8 October. There, our delegation listened to a report on land development for the poor in palm oil cultivation and measures to assist them in improving their livelihood. Our delegation also chatted with settlers in the area. Later, they visited Port Kelang, one of Malaysia's important commercial ports.

On the night of that day, our delegation attended a reception warmly hosted by the Sungai Besi mine company. On that occasion, the Sungai Besi company and the (Siripot) engineering company committed to provide the State of Cambodia with three scholarships in agriculture and engineering in Malaysia.

At 1503 on 9 October, our high-level delegation led by H.E. Chea Sim left Kuala Lumpur for Bangkok of the Royal Kingdom of Thailand after a successful five-day visit in Malaysia.

Seeing off the delegation at Subang Airport were H.E. Tan Sri Tengku Mohamed Zahir, speaker of the Malaysian Parliament, as well as many other officials.

Hun Sen Receives Head of Malaysian Delegation

BK1310055092 Phnom Penh SPK in French 0400 GMT 13 Oct 92

[Text] Phnom Penh 13 Oct (SPK)—Mr. Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], recently received Mr. Dato Megat Junio, Malaysia's deputy minister of the interior who was visiting Cambodia at the head of a delegation.

Mr. Hun Sen called the Malaysian delegation's visit to Cambodia—which coincided with the visit to Malaysia by the chairman of the SOC National Assembly, Mr. Chea Sim—an important contribution to the consolidation of the friendly relations between Cambodia and Malaysia.

The Cambodian leader praised the Malaysian security forces assigned to Cambodia for their close cooperation with those of the SOC in implementing the Paris peace accords.

On his side, Mr. Dato Megat Junio coveyed the greetings of the Malaysian prime minister to Chairman Hun Sen and thanked the SOC Government for creating all favorable conditions for the success of his delegation's visit to Cambodia.

The Malaysian guest also informed his host of the Malaysian Government's desire to help Cambodia in the technical field.

Chea Soth Visits Monastery in Kandal Province

BK1310093792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 12 Oct 92

[Text] On the morning of 7 October, His Excellency [H.E.] Chea Soth, standing member of the Cambodian People's Party [CPP] Central Committee, accompanied by Tep Ngon, vice chairman of the Kandal provincial party and vice chairman of the provincial people's committee, and many other leading provincial officials, visited the people, the clergy, elderly people, and wisemen at Vat (Kammasras) monastery in (Phnum Pan) Commune in Ponhea Loe District, and contributed toward constructing the monastery's main building and five tonnes of rice for distributing to needy persons.

Talking to the people, H.E. Chea Soth stressed the development over the past (?14) years. Along with this, the CPP and the State of Cambodia's Government have carried out political and economic reforms to reconcile the nation, find peace for the people, and improve the people's lives. H.E. Chea Soth also pointed out that we are now entering the last phase of the peace agreement in Cambodia, namely the phase of poll registration leading to the election next year. However, the Party of Democratic Kampuchea still refuses to implement the Paris agreement; furthermore, it has successively violated the agreement.

Finally, H.E. Chea Soth called on the people and the clergy to further heighten their spirit to safeguard and achieve more results in building various structures to develop localities. In particular, efforts should be made to vigorously promote production work to further improve people's lives.

Indonesia

Official Says Suharto Ready for Reelection

BK2010110492 Jakarta ANTARA in English 1038 GMT 20 Oct 92

[Text] Jakarta, Oct 20 (ANTARA)—Golkar [Functional Group] General Chairman Wahono said President Suharto had indicated his preparedness to be reelected for another five year term.

Before Golkar formally nominates Suharto for the 1993-97 presidency, Wahono, as general chairman of Golkar, had consulted the incumbent president in his capacity as chairman of Golkar Advisory Board concerning the next presidency.

"From the consultation, I, as a Javanese, concluded that Pak Harto [Mr. Suharto] is prepared to be renominated," Wahono informed journalists on Tuesday when he briefed them about the just ended 4th Golkar leadership meeting in the capital.

The leadership meeting, he announced, had decided to renominate Suharto to the republic's presidency.

However, Wahono did not announce any names for the vice presidency.

In making the nomination announcement, Wahono was flanked by Golkar Secretary General Rakhmat Witular and Department Chairmen Jacob Tobing, Sugeng Wijaya, Mrs. Mien Sugandhi, and H. Agus Tagor.

Referring to his consultation with Suharto, Wahono explained: "When I told (Pak Harto) that the people still want him to be president, Pak Harto replied that as the people have indicated their trust, it is my duty to fulfil the people's trust. From that, as a Javanese, I concluded that Pak Harto was prepared (to be reelected)."

On Golkar's candidates for vice president, Wahono said: "We already have candidates who we think are able to work alongside Pak Harto."

"But we still could not announce names. Why? Because we need to ask the elected (future) president whether he could work side by side with the candidates or not."

As the new president has not been elected yet, Golkar considers it unethical to announce a formal vice presidential candidate, said Wahono.

However, he did say that Golkar had decided the future vice president should be from the post-1945 generation considering that Indonesia is currently in a period of regeneration (from the 1945 generation to the younger ones).

Editorial Views Renomination

BK2010122992 Jakarta BERITA BUANA in Indonesian 2 Oct 92 p 2

[Editorial: "The Nomination of (Retired) General Suharto"]

[Text] The Central Executive Council of Golkar [Functional Group] has decided to nominate (retired) General Suharto as its presidential candidate for the 1993-98 term. The nomination will be submitted by the Golkar parliamentary faction to the MPR [People's Consultative Assembly] after the faction members are formally sworn in and installed on 1 October. This was disclosed by Yakob Tobing, one of Golkar's top executives, on 27 September.

Meanwhile, speaking on 29 September, ABRI [Indonesian Armed Forces] Commander Gen. Try Sutrisno told members of parliament from the ABRI faction that the ABRI would nominate (retired) Gen. Suharto, the incumbent president, to assume the presidency for another term, namely from 1993 to 1998. As such, the ABRI parliamentary faction will also submit its nomination to the MPR. In other words, there are already two parliamentary factions that will submit their nomination at the upcoming MPR session.

Unlike previous MPR sessions, the Golkar and ABRI parliamentary factions have announced their presidential nominee quite early—namely, during the session of the current MPR, which was elected in 1987. In the past, even though the Golkar and ABRI parliamentary factions were clearly expected to nominate (retired) Gen. Suharto as their presidential nominee, the nomination itself took place after the issue of the presidential election was raised in the MPR session. The difference this time lies in the timing of the presidential nominee announcement.

As for the question of why the presidential nominee was announced early this time, only Golkar and ABRI parliamentary factions could answer that and state their own reasons. However, in general people believe that the early announcement will help make things easier at the coming MPR session.

Besides, the MPR deliberation on this issue will not waste its members' time because the issue is very clear. To begin with, the 1945 Constitution does not prevent any Indonesian national from becoming president several times. What is important in selecting a presidential candidate is his character and leadership qualities.

Viewed from this angle—especially in view of his experience in leading the nation for several decades as well as his active role in the international and regional arena as shown by the recent success of the Nonaligned Summit, which has unified 108 developing countries constituting two-thirds of the UN membership—it seems that (retired) Gen. Suharto is indeed a front-runner in the Indonesian presidential nomination race.

Speaking in different ways but in a similar tone, (retired) Gen. Suhardiman, chairman of SOKSI [the Federation of Independent Socialist Workers Organizations] and, (retired) Gen. Sayidiman, former Indonesian ambassador to Japan, said that thus far no one can match Suharto's qualities.

Under his leadership, the nation and country have managed to achieve several successes highly appreciated by the people because of the positive impacts on their life. Other successes highly admired by the international community include the country's food self-sufficiency and family planning programs, which have received official recognition from the United Nations.

With the presidential nominations by the Golkar and ABRI parliamentary factions, as well as by another parliamentary faction earlier, it can be safely assumed that the deliberations on the presidential election in the coming MPR session will be smooth to the extent that all the MPR chairman must do is pound his gavel.

Minister Reaffirms Armed Forces' Dual Function

BK1910143092 Jakarta ANTARA in English 1302 GMT 19 Oct 92

[Text] Jakarta, Oct 19 (OANA/ANTARA) - Discussions on the armed forces (ABRI)'s role as a national sociopolitical force is natural because the prevailing system of democracy in Indonesia knows no uniformity of public attitude and views, Defence and Security Minister L.B. Murdani said.

Touching on ABRI's dual function in his speech to ABRI's 1992 commanders call in Jakarta on Monday, he said negative tones in the discussions will expectably continue particularly among those affected by the one-sided global information system.

In fact, he added, it is not impossible that domestic elements have also been affected by the argumentations of the Western media.

However, he affirmed, Indonesia's Pancasila democracy does indeed have its own distinctiveness marked by the existence of ABRI as a sociopolitical force and player in the nation's democratic life.

Such a system differs indeed from what prevails in other countries so that it is not surprising that the international media are fanning negative opinions on the nation's democracy, he stated.

These opinions have it that the correct democratic system should be marked by a supremacy of the civilian over the military, while individual freedom should be absolute and universal, he added.

That difference is very hard for the owners of the global information system to accept so that ABRI as a sociopolitical force will always be considered as a flaw in a system of democracy.

Murdani said that in such a lopsided order of information, very often developing countries such as Indonesia had been harmed.

Many biased stories had been published. Among them are the Dili incident, the role of the armed forces, land dispute, and the charges that developing countries damaged the environment, he said.

He said, however, that as long as it has nothing to do with Pancasila and the basic law (UUD) 1945, that kind of argumentation can still be regarded as normal and be tolerated because the principle of unity in diversity is always highly honoured as a national stength.

Meanwhile, the armed forces commander, General Try Sutrisno, speaking at the ABRI commanders call, said that ABRI will continue to fight for maintaining security and stability, particularly ahead of next year's plenary session of the People's Consultative Assembly.

The political climate here ahead of the plenary session of the People's Consultative Assembly is still at the level of normalcy. But that condition should be always monitored lest it leads to a destructive ones, said Try.

The commanders call, which will take place from October 19 to 20, will discuss problems concerning politics, defence and secuurity, and national stability.

Suharto: Social Unrest Reflects Existing Problem

BK2110103892 Jakarta ANTARA in English 0945 GMT 21 Oct 92

[Text] Jakarta, Oct 21 (ANTARA)—President Suharto has said that the emergence of an unrest in the sociopolitical, defence and security fields is a reflection of the existing problem being faced by the nation that needs solution.

It is seldom to find a social, political, defence and security problem which is not serious so that we are very cautious in handling this matter, the president said adding that the government is not in a hurry in taking solution for it.

Speaking before new officers of the armed forces (ABRI) who held a two-day ABRI leadership meeting, here on Wednesday, the head of state said that if there is an emerging problem in the socio-political, defence and security affairs, its sources must be traced.

Suharto who was accompanied by Defence and Security Minister L.B. Murdani, Armed Forces Commander General Try Sutrisno, called on the new officers to enhance their horizons beyond the armament and armed forces matters.

For this purpose, the ABRI must remain open to the people and build interaction between various command levels and different social segments and groups of people in order to solidify the development of the country's Pancasila democracy, the president said.

On the occasion, Suharto pinned "Satya Lencana Wira Karya" medal to Sutrisno for his meritorious service in promoting the family planning movement within the armed forces circles.

He said the Indonesian people, including the succeeding generation of the armed forces will face challenges in the coming years.

The 1945 generation—both from armed forces and non armed forces—has saved the country and laid down the country's development foundation.

But the efforts to safeguard the country and lay the development foundation would be meaningless unless follow up efforts are made to create welfare and justice, the head of state said adding that it was a challenge being faced by the Indonesian people, including the ABRI succeeding generation.

An accurate policy and strategy should be worked out in the national level and be elaborated in the regional level, he said.

This means that regional and territorial development of the armed forces should continue to be made as part of the overall development process.

The head of state stressed the territorial development of the armed forces, considering the fact that members of the armed forces are soldiers of the people who have to comply with their commitment of civic mission.

He called on the ranks and files of the armed forces to help make the coming general session of the People's Consultative Assembly (MPR) a success.

The MPR will hold a general session to discuss the direction of our nation for a long term, for the first quarter of the coming century, the president said.

The president's call for the ABRI to safeguard the MPR general session is a logical conseqence where it is also represented in the highest organ of the state. Making the MPR session a success basically means that the direction of national development and the people's aspirations will be carried out and the challenge laying ahead will be answered.

Armed Forces Commander Try Sutrisno reported earlier that the armed forces leadership meeting which was held in its Cilankap headquarters here on [words indistinct] was of the view that national stability was becoming more and more guaranteed which enables the Indonesian people to concentrate on development.

Money Policy, Infrastructure Cause Investment Drop

BK1510061092 Hong Kong AFP in English 0537 GMT 15 Oct 92

[Text] Jakarta, Oct 15 (AFP)—The government's two-year-old tight money policy and the country's limited infrastructure has drastically reduced foreign and domestic investment in Indonesia in the first 10 months of 1992, it was reported here Thursday.

Foreign investment in the first 10 months of this year stood at 4.74 billion dollars or only 54 percent of the 8.70 billion dollars recorded for the same period the previous year, the BISNIS INDONESIA daily said.

It quoted deputy head of the Indonesian National Investment Coordinating Board (BKPM) Rasidi as saying that the drop was due to the economic conditions of advanced nations and to an apparent shift in investment priorities to East Europe and China.

But Rasidi, who was opening a new video tape recorder manufacturing plant in nearby Cibinong that the drop was in line with the government's efforts to slow down the country's overheated economy which had been beleaguered by a serious shortage of supporting infrastructure, including power supplies.

"If there is no new investment in the electricity supply field, the total foreign investment for this year is bound to fall," Rasidi said.

Leading economist Hadi Susastro told a seminar on investment here Wednesday that between 100 and 150 industries had been forced to delay production starts because of supply shortages.

Rasidi said that Japan maintained its position as the top source of foreign investment with a total of 903.8 million dollars, followed by Hong Kong with 868 million dollars, Britain with 688.7 million dollars and South Korea with 559.1 million dollars.

Domestic investment in the same period also fell from 1991's 41 trillion rupiah (20 billion dollars) to 22.77 trillion rupiah (11.2 billion dollars), Rasidi said.

The government's tight money policy, launched two years ago in an effort to curb inflation, was partly responsible for lower domestic investment, he added.

Commentary Discusses Causes of Drop

BK1910110392 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 19 Oct 92

[Station commentary]

[Text] It is indeed unexpected that both foreign and domestic investments will undergo a drastic drop this year when they are compared to those last year. Even Junior Minister for Industries Tungky Ariwibowo expressed his concern over the matter when he opened an industrial estate in Bekasi, West Java. He also noted that the government would adopt flexible measures to cope with the issue so as to revive investment confidence. The measures will include the construction of more facilities in industrial estates.

According to the figures released by the National Investment Coordinating Board, foreign and domestic investments as of October 1992 dropped by about 50 percent compared with those in 1991. Foreign investment in the first 10 months of 1992 stood at only $4.74 billion, while $8.7 billion was recorded for the same period the previous year. Meanwhile, domestic investment stood at 41 trillion rupiah in 1991 and as of October 1992, only 27 trillion rupiah was recorded.

Both the government and private sectors have put forward several speculative views on the causes of the investment drop. As for foreign investment drop in Indonesia, some people believe that the funds have now been shifted to the PRC, Vietnam, and Eastern European countries which have opened their doors for investment by offering attractive incentives. The shortage of infrastructural facilities, especially electricity, is also one of the important factors leading to the decline of foreign investment in Indonesia. Others believe that the government's tight-money policy, aimed at cooling off the country's overheated economy, is another cause of foreign investment drop. Another cause is the Japanese banks' reduced ability to extend loans to investors. Investment laws which do not encourage foreign investment are also cited as a possible cause.

All these factors will become reference materials to be studied by the government in its efforts to find out the causes of investment drop before it takes concrete steps to revive investment confidence because the country still needs a huge amount of capital to boost economic growth and provide job opportunities. The accumulation of these reference materials is important in making an accurate decision to solve this problem so as to achieve the targeted economic development goals.

Netherlands' Economic Proposal Seen as 'Trap'

BK1910102992 Jakarta MERDEKA in Indonesian 2 Oct 92 p 4

[Editorial: "The Netherlands' Economic Trap"]

[Text] The Netherlands has not lost its colonial aspirations after 24 years of "administering" Indonesia's economy through IGGI [Inter-Governmental Group on Indonesia] and turning Indonesia into a latent country receiving foreign aid.

The Netherlands desires to continue bilateral economic relations with Indonesia. Indonesia was not intimidated because it rejected all economic assistance from the Netherlands and, as a result, IGGI was dissolved.

Discreetly and diplomatically, Indonesia then urged the Netherlands to direct its foreign aid toward Africa, the unfortunate and catastrophic continent constantly hit by natural calamities. But the Netherlands showed little interest. Besides, Indonesia, with its expertise, was willing to train Africans in various fields. This could be done through aid provided by the Netherlands, which could be channeled through Indonesia. There was not a positive reply from the Netherlands concerning the matter.

Then what is the Netherlands actually seeking—to recolonize Indonesia as was done in the past, but employing modern methods? Most of the Dutch officials based in Indonesia often joke that "We have come to colonize you again! Remember, you are still not ready for independence." Could they really mean this?

The Dutch will definitely retain their inherent characteristics. Unashamedly, the Netherlands revealed the statistics on exports between the Netherlands and Indonesia which were in the Netherlands' favor. For example, the Netherlands Government announced the 1990-91 trade statistics which indicated a 12-percent increase in exports by Indonesia to the Netherlands, surpassing the billion dollar mark. There was a 21-percent increase in bilateral trade during the first quarter of 1992. Indonesia's trade surplus for 1990 amounted to 180 million dollars.

If the Netherlands has good intentions toward Indonesia, then it should openly and clearly show such intentions. The Netherlands should respect and maintain the shrines of Indonesian heroes such as Prince Diponegoro, Cut Nyak Din, Imam Bonjol, and others. But what happened? On the contrary, the Netherlands wanted to rehabilitate those shrines and replace them with those of their own war heroes, complete with a monument. Isn't such an action considered absurd and unethical?

The arrogance of the Dutch can be recalled through the attitude of several Dutch historians who visited Linggarjati to observe a historic commemoration—the place where the first historic sacrifices by numerous Indonesians and their leaders took place.

Observe the Netherlands-owned industries in Jakarta and see how the Dutch managers mistreat the groups they despise most—the Javanese. On the other hand, those minority groups who had assisted them against the Indonesians are well-treated. Is this not the obsolete "divide et impera" attitude currently being employed by the Dutch?

To whom does the Netherlands Government give priority and facilities in trading? One should find that out by oneself. Those who are given trading concessions by the Dutch are mostly from the remnants of the colonial era, are anti-Indonesian, and who have close ties with the Netherlands. These are people who only care and love wealth and not their own country.

The Netherlands is currently preparing to set another trap in the form of economic and trade cooperation. The Netherlands is preparing to fatten some local officials; Yvonne van Rooy, state secretary for economic affairs, is undertaking such preparations. The Dutch will discuss a new trade framework where Indonesia's export commodities to Europe would have to pass through Rotterdam. Following this discussion, a Dutch trade delegation would make a "visit" to Jakarta and Surabaya with a view toward conducting a study on trading prospects.

Has the Netherlands forgotten its immoral actions? Has it forgotten that when it leaves the country, the Javanese will be its successor? Is it possible that Indonesians do not realize the bad intentions of the Dutch?

J. Pronk [former head of IGGI] said that certain adjustments have to be made in an effort to streamline the Netherlands-Indonesia bilateral trade. Those adjustments are directed at the instrument of payment, taxes, quality control, and whether exported products are truly Indonesian-made and not imported from Japan, Taiwan, or South Korea.

Therefore, by making Rotterdam an export passage to the European market, does this not mean that the Netherlands could strangle Indonesia when it feels that the time has come for doing so?

It is best for Indonesia to constantly remain alert concerning the Netherlands' economic trap and it should not be hasty about decisions from economic advisers who were once the Netherlands' most-favored persons during the war of independence.

Plutonium Ship Refused Passage Through Straits

BK1810060292 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 18 Oct 92

[Text] Indonesia continues to refuse the passage of Japan's plutonium-carrying ship through the Straits of Melacca and proposes that it use a different route on its way back from France. This call was made by Suntoro, director general of sea communications, who added that Indonesia's refusal was earlier voiced by Foreign Minister Ali Alatas. The Strait of Malacca is a very narrow and busy waterway and Indonesia has therefore firmly refused the passage of the Japanese ship.

Trade Minister Holds Talks With Iranian Counterpart

BK1510074592 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 15 Oct 92

[Text] Indonesia has called on Iran to help intensify South-South trade cooperation. In his talks with Iranian Minister of Commerce 'Abdol Hoseyn Vahaji in Tehran, Trade Minister Arifin Siregar said Indonesia is ready to launch a joint investment program in textile products with Iran. During the talks, the Iranian minister welcomed the enhanced trade link and called for more balanced trade with Indonesia.

Meanwhile, the Iran-Indonesia joint committee yesterday began to discuss economic cooperation between the two countries, especially in the nonoil and nongas sector.

Meets Iranian President

BK1610115492 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 16 Oct 92

[Text] Iran considers Indonesia, with a dominant Muslim population, as its examplary and close friend. Speaking in Tehran during his meeting with Indonesian Minister of Trade, Arifin Siregar, Iranian President Akbar Hashemi-Rafsanjani considered the Tehran-Jakarta bilateral relations as positive because the two countries are members of the Nonaligned Movement [NAM]. Meanwhile, Minister Arifin Siregar said that bilateral trade relations between Indonesia and Iran could set an example for the other NAM members to emulate.

Minister Arifin Siregar also discussed with the Iranian president the outcome of his talks with Iranian officials concerning petroleum, copper, and efforts to further upgrade the private sector's activities in connection with bilateral trade.

Says 'Counter-Purchase System' With Iran To End

BK1910100892 Jakarta ANTARA in English 0939 GMT 19 Oct 92

[Text] Jakarta, Oct 19 (OANA-ANTARA)—Indonesia and Iran have agreed to stop applying counter-purchase system in order to further step up their bilateral trade, Minister of Trade Arifin Siregar said here on Monday.

"If we buy Iranian oil, Tehran no longer needs to counter purchase our goods," the minister said after reporting to President Suharto at the Bina Graha presidential palace on his recent visit to Iran recently.

The two countries signed a counter-purchase agreement in 1988.

He said that under the agreement, Iran had to import Indonesian goods each time Indonesia bought crude from that country.

In reply to a question on whether the stoppage of the counter-purchase system would reduce the value of the trade balance of the two countries, Arifin said that it would not affect the bilateral trade between Jakarta and Tehran.

The counter-purchase system was applied at that time because many Iranian businesses had not yet known Indonesian products.

Before 1988, Indonesian exports to Iran avaraged at U.S. $11 million annually.

Indonesia's exports to Iran stood at $13.7 million in 1987 but in 1991, it jumped up $90 million. Its imports of crude oil from Iran accounted for 25,000-30,000 barrels per day.

The minister pointed out that an Indonesian textile company has reached an agreement with its Iranian partner to build a textile factory in that country whose products are to be exported.

Iran has opened a letter of credit for the purchase of five planes manufactured by the Nusantara Aircraft Industry (IPTN).

But he did not dislose the classification of the planes.

Minister of Research and Technology/President Director of IPTN who was also there to meet President Suharto was not available to give details on the classification of the planes.

Laos

PASASON Greets Outcome of CPC Congress

BK2110103292 Vientiane KPL in English 0858 GMT 21 Oct 92

[Text]— Vientiane, October 21 (KPL)—The PASASON Daily Newspaper today frontpaged an editorial greeting the outcome of the 14th Congress of the Comunist Party of China (CPC) held from 12 to 18 October.

The editorial said the building of a market economy structure was a scientific goal adopted by the 14th party congress, an important breakthrough in theory, and the drawing of experience from the introduced open-door policy in the past 14 years.

The Lao People's Revolutionary Party as well as the Lao people pursuing its consistent foreign policy stand side by side the CPC and the Chinese people, learning suitable experience from the latter for creatively making use of it in realising the resolution of its 14th party congress, the editorial said.

Conference on Hydraulic Power for Indochina Opens

BK2010105592 Vientiane KPL in English 0914 GMT 20 Oct 92

[Text] Vientiane, October 20 (KPL)—A technical conference on the future of hydro-power energy for Indochina was opened on October 15 at the Lan Xang hotel.

Attending the six-day technical conference are the representatives of Laos, Vietnam, Cambodia and 60 technicians from industrialised French-speaking countries and diplomats from some countries.

Opening the conference was Mr. Souli Nanthavong, Lao minister of sciences and technology. The conference is to study future national policies regarding hydro-power energy in the three Indochinese countries.

Also included in the agenda are technical, technological matters used in hydro-power industry in French-speaking countries and the cooperation among them.

The participants are also to study the plans for expansion of hydro-power energy in the three Indochinese countries, and the ways to implement the plans on the basis of co-operation among the French-speaking countries.

Matters to be dealt with are the regulations, the transfer of technologies, the finding of funds and the training of personnel and workers.

This technical conference is organized by the Institute for National Resources and Environment of the Ministry of Sciences and the energy institute of the French-speaking countries in coordination with Canada and the Institute for Environment and [word indistinct] Research of France.

Government Delegation Departs for Manila Meeting

BK2010110892 Vientiane KPL in English 0907 GMT 20 Oct 92

[Text] Vientiane, October 20 (KPL)—A Lao Government delegation led by Economy, Planning and Finance Minister Khamphoui Keoboualapha yesterday left for a consultative meeting on cooperation in Asia to be held in Manila, the Philippines.

Government delegations from six countries—Laos, Vietnam, Cambodia, Myanmar [Burma], Thailand and China—have attended the meeting with the Asian Development Bank as sponsor and coordinator.

Khamphoui and his party were seen off at Wattai Airport by Vientiane Mayor Oudom Khatthi-gna, some ministers and officials concerned.

Modernization of KPL Network With PC System Begins

BK1310095292 Vientiane KPL in English 0902 GMT 13 Oct 92

[Text] Vientiane, October 13 (KPL)—The National News Agency KPL [KHAOSAN PHATHET LAO] has started using the computerized short-wave communication system to link up Vientiane capital and provinces. This has been possible thanks to UNESCO's International Programme for the Development of Communication (IPDC).

IPDC has given an aid of U.S. $95,000 to KPL to be used in modernizing its telecommunication equipment to link KPL headquarters in Vientiane with its 17 local offices in all parts of the country.

The programme consists of PC link between Vientiane and six principal provinces. The short-wave communication system between Vientiane and nothern Luang Prabang, which has just been established, has proved to be satisfactory.

The next step will be the communication link between Vientiane and local offices in central Khammouane, Savannkhet, and southern provinces of Champassak and Saravane.

Up till now, KPL's headquarters has depended on "morse" system to contact its provincial offices—the system left over from the time of national salvation war. The morse system, despite its merits, has some inconveniences. The signals have to be written in "Latinised" Lao language which needs to be rewritten. The "Latinised" Lao language used specifically for communication was invented by the former president of the republic, Mr. Souphanouvong.

With the new telecommunication system, news flow among various parts of the country can be much more speedy.

This project financed by the IPDC has permitted KPL to computerize its news work, including the training of its editorial staff and technicians, computer knowledge [as received]. Once progress is made in the principal six provinces, the network will be expanded to other remote provinces of the country. So, in the immediate future, the PC/PC system is expected between Vientiane and six provinces; with seven other provinces, "morse" system will remain to be [in] use. But the link between Paksane (Bolikhamsai), a neighbouring province of Vientiane [Prefecture] and Vientiane Province, will be done by fax system.

Philippines

Joint Military Exercise Held With U.S. Troops

HK1310050092 Manila MANILA BULLETIN in English 13 Oct 92 pp 1, 24

[Text] The Armed Forces of the Philippines (AFP) and the United States armed forces launched yesterday "Balikatan [Shoulder- to-Shoulder] '92," a joint military exercise aimed at strengthening their joint military capabilities under the RP-U.S. Mutual Defense Treaty.

Gen Lisandro Abadia, AFP chief of staff, said that the 12th "Balikatan" exercise will focus on a combined cross-training and command post exercise involving soldiers, sailors, marines, and airmen of the U.S. and Philippine military forces.

Abadia said that the main objective of the exercise is to test the general capabilities of the RP and U.S. forces to conduct joint operations and to provide cross training opportunities.

"It will provide training for the two participating countries and enhance their joint capabilities to respond to mutual defense efforts and civil military operations pursuant to the Mutual Defense Treaty of Aug 30, 1951," he said.

Lt Col Benjamin Enrile, AFP spokesman, said that the activities also include several civic action projects that will benefit residents of Nueva Ecija, particularly in the vicinity of Fort Magsaysay.

The community relations projects involves the drilling of water wells, construction of general purpose concrete slabs and conducting numerous medical and dental civic actions.

A combined RP-U.S. armed forces team will also undertake free medical and dental clinics, including distribution of free medicines in some communities, in support of the exercise, Enrile said.

Ramos 'Confident' Burma To Restore Democracy

HK0910055792 Quezon City MALAYA in English 9 Oct 92 p 2

[Report by Carlito Pablo]

[Text] President Ramos is confident that Myanmar [Burma]'s ruling military junta, condemned by Western nations for its alleged repressive regime, will soon restore constitutional processes.

"President Ramos took note of the favorable climate for the speedy return of constitutional rule in Myanmar," said a joint statement issued by the Philippines and Myanmar after a top-level delegation of the State Law and Order Restoration Council (SLORC) of Myanmar, formerly known as Burma, called on the President last Wednesday.

The delegation which arrived in Manila last Sunday is headed by Brig. [Brigadier] Gen. [General] David Abel, minister of planning and finance.

Abel assured Ramos that his government is treating well Nobel Peace Prize awardee Daw Aung San Suu Kyi, leader of Myanmar's democratic opposition who has been placed under house arrest by the junta.

"Daw Aung San Suu Kyi is being treated sympathetically, and she is well. Her family is now allowed to visit her as often as they can, and her freedom of expression has been fully restored," the statement said.

Abel also said Myanmar is "seriously considering" joining the Association of Southeast Asian Nations.

The alleged massive human rights violations by the junta served as an irritant between ASEAN and its dialogue partners composed of developed countries like the United States and Canada during the last ASEAN ministerial conference last July in Manila.

Abel handed Ramos a letter and a silver bowl from SLORC chairman Gen. Than Shwe, and 24 pieces of rare orchids to Mrs. Amelita Ramos.

A special trading and joint ventures agreement was signed.

CPP Admits 'Policy Errors' Harm Cause

HK2110093692 Manila PHILIPPINE DAILY INQUIRER in English 21 Oct 92 p 8

[Text] The Communist Party of the Philippines [CPP] has admitted that serious policy errors continue to plague its 23-year- old armed struggle, seriously undermining its capability to seize political power. In a recent party treatise entitled "Reaffirm Our Basic Principles and Rectify the Errors," the CPP leadership admitted that the communist movement today is "confronted with an unprecedented loss of mass base and other related problems" because of the errors.

The paper was reportedly authored by Armando Liwanag, alleged nom de guerre of exiled CPP leader Jose Ma [Maria] Sison. Military officials claim that Sison has re-assumed the CPP chairmanship following his release from detention in 1986. "There have been gross deviations and errors of a few elements which have caused grievous damage to the party and the revolutionary mass movement," according to the internal paper of the CPP, a copy of which was obtained by the INQUIRER.

"The worst of the deviations and errors arises from petty-bourgeois impetuosity and subjectivism, flying away from the concrete conditions and the current strength of the revolutionary forces," according to the thick document approved by the Executive Committee of the CPP Central Committee. [sentence as published]

"It combines wishful thinking for the armed urban insurrection with army regulation which takes away cadres and resources from mass work in order to build prematurely higher and unsustainable military formations (companies and battalions) and top-heavy staff structures."

The document said the errors "were misrepresented as an adjustment or refinement on the theory or strategy." But, despite these "deviations and errors" committed by some party elements, the movement is "still far stronger in several respects than in 1968, 1977 or 1980." "There is a firm ground for further leading the masses (i.e. arousing, organizing and mobilizing) and launching the offensive (mass actions and armed tactical offensives) that we are capable of," according to the paper issued in March.

The CPP leadership called on its members "to reaffirm the basic revolutionary principles." The document urged CPP members and cadres to adhere to, among others, the theory of Marxism-Leninism, repudiation of modern revisionism, class analysis of Philippine society as semicolonial and semifeudal, general line of new democratic revolution, leading role of the new working class through the party, the theory of people's war and the strategic line of encircling the cities from the countryside, and the united front.

Military, Muslim Rebels Agree to Peace Talks

HK1210111392 Manila MANILA BULLETIN in English 12 Oct 92 p 1

[Report by E.T. Suarez]

[Text] Military rebel leader Gregorio "Gringo" Honasan and Libya-based Nur Misuari, chief of the Moro National Liberation Front (MNLF), have agreed to hold peace talks with the government without imposing any conditions, according to Election Commissioner Haydee Yorac, who is chairman of the National Unification Commission (NUC).

Yorac, who remains a commissioner of the Commission on Elections (Comelec), said that Honasan, whom she had already met personally and discussed the reconciliation policy of President Ramos, expressed willingness to join the peace talks, hopeful that such talks will succeed.

"Honasan did not impose any condition before sitting down to a conference table to discuss the peace process," Yorac said.

In the case of Misuari, Yorac said that so far he has not imposed any condition before talking peace with the government and ending the Muslim separatist rebellion in Mindanao.

She said that she expects to talk personally to Misuari any day this week.

Yorac said Misuari has imposed no preconditions before sitting down to talk peace with representatives of the Philippine government.

She said the peace talks will be held based on mutual trust and confidence of the parties and that the agenda would be agreed upon at the negotiations table.

Yorac stressed that the parties understand that a lasting peace could only be achieved if it is not dictated by the MNLF, the Reform the Armed Forces Movement (RAM) or any other sector but based on what they sincerely believe is good for the entire country.

Earlier, Rep. Eduardo Ermita (Lakas-NUCD [Strength-National Union of Christian Democrats], Batangas), who met Misuari in Tripoli, Libya, reported that the MNLF leader has no demands and is very positive about wanting to sit down with government representatives for formal peace talks.

A member of the NUC, Ermita said Misuari also promised to return to the Philippines in still undetermined date.

In the case of Honasan, Yorac said his group was finalizing the talking points the military rebel leaders desire to take up with the government.

Yorac said there are at least 10 substantive issues expected to be tackled during the peace talks, among which is the broader and more effective enforcement of human rights.

Nur Misuari, chairman of the Moro National Liberation Front (MNLF) and Rep. Eduardo Ermita (Lakas-NUCD, Batangas) representing the Philippine government, in a joint statement declared that "peace is not only possible but (also) achievable."

Ermita, together with Rep. Nur Jaffar of Tawi-Tawi, accompanied by Speaker Jose de Venecia Jr., reported to President Ramos in Malacanang yesterday on their successful first round of peace talks with Misuari in Tripoli, Libya.

President Ramos and De Venecia thanked Libyan leader Col. Mu'ammar al-Qadhdhafi for his role as "peacemaker" and for allowing the use of the Libyan government's "good offices" in spite of Libya's current difficulties with the United Nations regarding economic sanctions.

De Venecia earlier dispatched the two solons as peace emissaries representing the House of Representatives with the full backing of President Ramos. The talks were held in Tripoli from Oct. 3 to 4.

The joint declaration submitted to the President stated that Chairman Misuari warmly welcomed the peace initiatives of the Philippine government.

"He (Misuari) stressed that self-determination and freedom were paramount concerns of the Bangsa-moro [Filipino Muslim] people. He said that the MNLF is ready for formal peace talks on the basis of the Tripoli Agreement and as in the past, under the auspices of the Organization of the Islamic Conference. He added that there must be a neutral venue for the talks that would be acceptable to both sides," the joint statement said.

Both sides, in closing, agreed to send a joint letter expressing their deep gratitude to the Great Leader of the Libyan Arab Jamahiriyah, Col. Mu'ammar al-Qadhdhafi, for his nation's kind hospitality and for all generous courtesies extended to both delegations.

Abadia Says Defense Budget Lowest in SE Asia

HK1410064192 Manila BUSINESS WORLD in English 14 Oct 92 p 16

[Text] The Armed Forces of the Philippines (AFP) has one of the lowest budgetary allocations among its counterparts in southeast Asia.

In the Senate finance committee hearing yesterday, AFP chief of staff Lisandro Abadia said the proposed P18.6-billion [Philippine pesos] defense budget ranks the lowest in terms of budgetary allocation vis-a-vis the national budget; and second lowest in terms of allocation as against the gross national product (GNP).

Based on the six-nation comparative statistics on budgetary allocation vis-a-vis their respective national budget, the Brunei military ranks the highest, with 44% of its annual budget alloted to it; Singapore follows with 21.2%; Thailand, 19.3%; Malaysia, 7.4%; Indonesia, 6.7%; and Philippines, 6.5%. The average allocation is pegged at 17.5%.

As for the spending percentages as against GNPs, Brunei military spending ranks the highest with 8.8%, Singapore is next at 7.6%; Thailand, 4.7%; Malaysia, 2.7%; Philippines, 1.4%; and Indonesia, 1.3%. The average spending percentage among ASEAN countries is at 4.3%.

"Our P908-million (military modernization) program looks very insignificant (when placed in this light)," Mr. Abadia told the committee.

As it stands, he disclosed that Indonesia is in the midst of acquiring Chinese frigates and at least 12 F-16 jet fighters.

"Not to be outdone, Malaysia's modernization program includes a plan to buy Hawk-100 jet trainers, 18 Hawk-200 advance jet fighters, corvettes with surface-to-air missiles, four submarines, and air defence radars," he added.

As for Thailand, its modernization plan includes the purchase of a helicopter carrier vessel, combat helicopters, maritime patrol aircraft, and transport planes.

"Singapore, in spite of its very limited territory, already has six missile corvettes, F-5E jet fighters, hawker hunter reconnaisance planes, and a plan to acquire French anti-tank helicopters," he said.

As for the Philippines, the P908-million budget includes the purchase, by installment, of 18 units of primary trailer planes, six basic jet trainers, and 18 basic trainer aircrafts, the acquisition of 150 armored vehicles; and the initial funding for the in-country manufacturing and refurbishing of armaments, ammunition, communication equipment, vehicles and other items such as combat radios and medical kits.

As this developed, senators questioned the increase of budgetary allocation for para-militia Citizens Armed Forces Geographical Units (CAFGU) in light of the ongoing peace negotiations in the countryside.

Mr. Abadia explained that the budget is just a contingency fund in case the peace process proves less than successful. Should the initiative succeed, "then the CAFGUs will be retained as reserve forces without arms."

Labor, Other Groups To Protest Ramos Policies

HK0910023792 Quezon City MALAYA in English 9 Oct 92 p 2

[Text] During yesterday's 100th day of the new administration, organized labor and other cause-oriented groups vowed to stage a series of future mass action to oppose the "anti-poor" socio- economic and political policies of the government. They stressed that the honeymoon is over, saying that the labor front had been "quiet" merely to give the new government enough time to lay down its policies with least distractions.

However, they claimed that the policies initiated by President Ramos are no different from the immediate past two regimes. The pro-imperialist and fascist imprints are as clear as ever," said the League of Filipino Students in a statement. The Ecumenical Movement for Justice and Peace said that for the first 100 days, it documented a total of 30,407 cases of military abuses and atrocities.

The militant Kilusang Mayo Uno [1 May Movement], on other hand, said that while the government has released arrested top communist leaders, some 600 other political prisoners, including peasant leader Jaime Tadeo, continue to languish in jail. The KMU and the Trade Union Congress of the Philippines also scored the government's refusal to grant a P21-P25 new wage increase.

House Approves Bill Establishing Energy Department

HK0810143692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 7 Oct 92

[Text] The House of Representatives has approved, on the third and final reading, a bill seeking to establish a Department of Energy. The department shall manage all government programs related to energy.

The Department of Energy shall be responsible for agencies and companies owned by the government such as the Philippine National Oil Company, National Power Corporation, National Electrification Administration, and the Presidential Commission on the Philippine Nuclear Power Plant.

The powers of the Office of Energy Affairs and the Energy Coordinating Council shall be transferred to the new department.

Thailand

Board of Trade Notes Impact of U.S. GSP Cuts

BK1710154292 Bangkok Radio Thailand Network in Thai 1200 GMT 17 Sep 92

[Text] The Board of Trade of Thailand has analyzed the impact on Thailand's exports of the U.S. review of its 1991-1992 imports under the Generalized System of Preferences [GSP]. According to the study, there are both advantages and disadvantages for Thai goods. On the positive side, 106 new categories of goods will benefit from the GSP privileges. They are Turkish tobacco leaves, plastic ware—with the exception of gloves—ceramic tableware, and kitchenware. Meanwhile, 11 goods will benefit from GSP relaxation. They are canned baby corn, canned vegetables, canned lychee, canned longan, flashlights and parts, and buttons made of acryllic resin.

As for the negative effect from the GSP cuts, Thailand's exports of leaf spring have lost duty exemptions. Although this does not involve a high export value, the cut would result in Thailand losing an opportunity to penetrate the U.S. market. Three Thai products also suffered GSP cuts because they exceeded the export quota. They are goods made of natural rubber, precious and semi-precious stones, and telephone sets. Worst affected would be the export of telephone sets, owing to the already high import tariffs on them as well as stiff competition. There is little chance for Thailand to preserve that market.

Thailand requested GSP privileges for 15 goods, but the U.S. response was negative. This will affect Thailand's exports of goods that will now be charged with high U.S. import tariffs. These goods include floor tiles, Christmas tree lights, and flour.

Ethnic Lao's With U.S. Passports Arrested

BK2110020992 Bangkok BANGKOK POST in English 21 Oct 92 p 1

[Text] The brother of Gen Vang Pao, a former CIA-trained H'mong leader, and another H'mong tribesman were arrested by Thai police in northern Thailand last week as they attempted to stage a cross-border incursion into Laos. A well-informed Immigration Police source told the BANGKOK POST yesterday that the aborted military operation appeared to be directed from Singapore by Gen Vang Pao himself.

Gen Vang Pao had reportedly flown from the United States where he has been living in exile since he fled Laos in 1975 following the communist takeover.

The source said that Gen Vang Pao's brother Vang Fung, 48, and another H'mong who was believed to be resistance rebel Moua Yee Julan, 43 were captured in Chiang Kham District of Phayao Province on October 11. US$25,000 in cash was found in their possession.

The two allegedly planned to lead a group of resistance rebels in a raid on Hongsa township in Sayaboury in western Laos, which would coincide with the official visit to Laos by Her Royal Highness Princess Maha Chakkri Sirinthon. The Princess visited Laos on October 16 and returned to Bangkok on Monday.

Yee Julan and Vang Fung were placed under close surveillance by Thai military intelligence officers since their arrival in Thailand on August 27 and September 24, from the United States respectively.

The source alleged that the two men had visited five Laotian refugee camps in northern and northeastern Thailand to recruit men and purchase firearms for the border incursions. But they were nabbed by Thai Immigration Police before they could execute the operations. The two men who hold American passports will be deported to the United States via Taiwan this morning.

According to the source, anti-Vientiane resistance rebels tend to time their operations to coincide with visits of important Thai figures to Laos or of key Laotian eaders to Thailand to cause embarrassment to the Thai Government.

Cambodian Refugee Camp in Sisaket Closed

BK1910144292 Bangkok Army Television Channel 5 in Thai 1230 GMT 19 Oct 92

[Excerpt] The last group of Khmer Rouge refugees, numbering 190, left O Trav Camp in Sisaket Province for Cambodia today. Their departure marked an official closure of the camp, the third of the seven camps for refugees to be closed. A closing ceremony was held at the camp, which accomodated 17,420 Khmer Rouge refugees for more than four years. The closure of O Trav Camp marks another achievement of cooperation between Thailand and the United Nations in the operations to repatriate Cambodian refugees—the program having been underway since 30 April this year—in preparation for the elections in Cambodia scheduled for May next year. [passage omitted]

PM Promises 'Lasting Solution' To Amnesty Issue

BK1710022992 Bangkok THE NATION in English 17 Oct 92 p A1

[Text] Prime Minister Chuan Likphai said yesterday the government would find a lasting solution to the sensitive question of whether to prosecute those blamed for the May bloodshed.

Chuan said the Cabinet would ask either the Constitution Tribunal or the Juridical Council to decide what course of action the government should take to enforce the law.

"(The government) intends to put an end to the issue once and for all—not to put it on hold for further revision," the prime minister said.

"We already have the law. The next step would be to decide which body should have the final say on the matter."

But Chuan suggested that he saw no point in asking the Juridical Council, the government's advisory body, to decide on the crucial legal question because he would not consider the council's ruling as final.

The prime minister denied an allegation by the Opposition that the government was only buying time by asking the Juridical Council to decide on the sensitive issue, saying the government intended to enforce law whatever the solution would be.

Asked how the government would react to the criminal charges lodged against certain members of the Cabinet in connection with the bloodshed, he said it was within citizens' rights to seek legal action against alleged offenders.

"But whether the charges can be substantiated depends on what kind of evidence they have," Chuan said.

Responding to the charge that the Democrat Party and himself seem to have distanced themselves from the sensitive issue, the prime minister said: "I [as prime minister] do not have the right to hold myself aloof. I must take responsibility. " "The point is I don't have the power to have anybody punished. That is the responsibility of the court of law. If we want the rule of law to prevail in this country, we must accept that legal proceedings do take time," he said.

Chuan said police investigators were supposed to resume investigation into the bloodshed after the House rejected the amnesty decree issued by the Suchinda administration to pardon all parties involved in the political violence.

Constitution Tribunal Vice Chairman Michai Ruchuphan said yesterday the government should ask the tribunal to decide on the sensitive issue now that the Juridical Council had refused to do so. The Opposition yesterday submitted a letter to the prime minister at Government House, accusing the government of intentionally delaying legal proceedings against those blamed for the bloodshed, which they claimed includes Interior Minister Chawalit Yongchaiyut.

Police Director General Sawat Amonwiwat yesterday ordered the setting up of a 35-man investigation team led by Pol Lt Gen [Police Lieutenant General] Pracha Promnok to look into the complaints lodged against the former military leaders who ordered the bloody crackdown, including former prime minister Suchinda Khraprayun, former supreme commander Kaset Rotchananin and former army chief Itsarapong Nunphakdi, Deputy Metropolitan Police Commissioner Thirachai Riancharoen said.

The same police team was also assigned to handle complaints lodged against Phalang Tham founder Chamlong Simuang and Gen Chawalit Yongchaiyut and other leaders of the anti-Suchinda protests, Pol Maj Gen [Police Major General] Thirachai said.

"Police will try to conclude the cases as soon as possible without waiting for the outcome of the legal question about whether the accused can be prosecuted," Thirachai said.

On Thursday, the Juridical Council voted to drop the issue for fear of political repercussions of ruling on the House's rejection of the amnesty decree.

The government's legal advisory body voted 35-7 to refrain from making a decision on the issue of retroactivity of the rejection of the degree which protected those involved in the May political violence. Twelve other council members abstained.

Pro-democracy groups insist that former military leaders, including former supreme commander Kaset and former army chief Itsaraphong, who ordered the violent suppression of protesters, be tried. At least 52 people were killed, 600 injured and more than 200 are still unaccounted for.

Paper Backs Chuan Statement on Amnesty Revocation

BK1110043892 Bangkok THE NATION in English 11 Oct 92 p A10

[Editorial: "We Must Have Faith in the System of Justice"]

[Text] "Freedom is never voluntarily given by the oppressor; it must be demanded by the oppressed," said black rights activist Martin Luther King Jr. Full democracy dawned on Thailand after tens of thousands of pro-democracy protesters between May 17-19, braved bullets and batons in their demand for a political system free from the dmoniation of the military.

The bloody May unrest, now in the annals of the country's contemporary history, has served to illustrate that the winds of change can never be blocked by any particular group of elitists schooled in authoritarian rule. Frustration and protest politics will turn dangerously ugly and violent if the roots of popular alienation aren't addressed by opening up the system to those whose needs and interests have been excluded.

Before disgraced prime minister Gen Suchinda Khraprayun resigned on May 24, he promulgated an emergency blanket amnesty decree to cover him and all his men who took part in the violent crackdown on the prodemocracy protesters. That amnesty decre also absolved all those who took part in the demonstrations from criminal and civil liability.

On Wednesday, the House of Representatives dominated by the newly elected pro-democracy coalition government rejected the amnesty decree, reflecting current public opinion in the country. This rejection by the House could imply, if it has retroactive effect, that the perpetrators of human rights violations, particularly members of a certain section of the military, are not exempt from criminal responsibility. On the other hand if could also mean that Phalang Tham de facto leader Chamlong Simuang, together with about 800 pro-democracy protesters, could be re-arrested. Also, close to 3,000 people who took part in the protests could be rounded up if the plice decide to press charges against those who had defied the emergency declared around midnight on May 17.

Before the police take action, they have made it expressly known that a clarification of the legalities of the House rejection of the amnesty decree would be sought from the Juridical Council, the government's legal advisory board. The courts, before they begin accepting any suits—to be filed by the relatives of those who were killed or injured—against Suchinda, former supreme commander ACM [Air Chief marshal] Kaset Rotchananin, ex-army chief Gen Itsaraphong Nunphakdi, former interior minister ACM Anan Kalintha and former First Army Region commander Lt Gen Chainarong Nunphakdi, would have to seek an interpretation of Article 172 of the constitution from the Constitution Tribunal. One school of thought says the amnesty decree had absolved all persons involved in the May political turbulence when it was invoked, and that the House's rejection of the decree will not reverse its effects. Article 172 stipulates rather ambiguously that "activities occurring during the time an executive decree is in use shall not be affected should Parliament reject the decree afterwards."

The rule of law in the country should be allowed to take its course and we support what Prime Minister Chuan Likphai said on Thursday that "the government would not compromise on the question of what was right or wrong". The premier, in his rebuttal to Defence Minister Wikhit Sukmak, said laws "had to be enforced strictly and we have to separate individuals' actions from the military as an institution". Earlier on the same day, Wichit came out in defence of the military leaders and soldiers involved in the May crackdown, saying they acted on government orders and their actions were in line with the Constitution and relevant security laws.

On the other hand, Special Warfare Commander Lt Gen [Lieutenant General] Surayuth Chulanon, who is also a senator, said he did not think legal proceedings against military leaders responsible for the bloodshed would adversely affect soldiers' morale, as long as they were carried out in a "straightforward manner".

Change in human psychology is normally a slow process, but it is safe to predict that the military is ready for changes after the brutal gunning down of unarmed people in May and intend to remain in the barracks. Supreme Commander ACM Worat Aphichari had already given his assurance that soldiers would not interfere in politics and the rejection of the amnesty decree would not affect the Armed Forces "new" hands-off position.

Solutions to the legal problems arising from the rejection of the amnesty decree will not be easy. But this does not signify that they are impossible to arrive at. If we recognize these complexities as challenges rather than obstacles, we will make progress in our fledgling democracy when we freely admit that the rule of law has to prevail. Bangkok MP Aphisit Chahilwa's proposal that the government should come up with an "amnesty bill" which would single out "sincere demonstrators" as being the only group to be absolved from any liability, should the Constitution Tribunal rule that the rection of the decree is retroactive, has to be looked into to expedite matters.

While the legalities of the rejection of the amnesty decree are being sorted out by the Juridical Council and the Constitution Tribunal, we have to tell ourselves that now is the time to make real the promise of democracy. To quote Nobel Peace Prize winner Oscar Arias Sanchez: "Democracy requires tolerance and dialogue and peaceful participation by the people in all political, economic and social processes."

We cannot afford to go backwards after the seeds of change had been sown by those who gave their lives for democracy on Ratchdamnoen Avenue between May 17-19. The people now have to place their faith in the legal system of the country. Taking matters into their own hands by seeeking revenge for the May shootings will only plunge the country back into the political dark age.

Government Plans To Amend All NPKC Laws

BK1510020792 Bangkok BANGKOK POST in English 15 Oct 92 p 1

[Excerpt] The Government plans to amend all laws introduced by the National Peace-Keeping Council [NPKC] and other dictatorial regimes and make them subject to parliamentary approval.

Prime Minister Chuan Likphai said the initiative would affect all NPKC announcements and other laws introduced by past dictatorial regimes in the form of "Revolutionary Council" orders.

Mr Chuan said the decrees would be turned into ordinary laws where necessary and submitted to Parliament for approval.

But the Premier sidestepped the question of whether the revisions would include NPKC Order Number 26 under which the Assets Examination Committee was set up by saying the issue had not yet been discussed. [passage omitted]

Election Sparks 'Huge' Foreign Dollar Inflow

BK1610022592 Bangkok BANGKOK POST in English 16 Oct 92 p 21

[Text] The positive effect of the September election on foreign investors' confidence in Thailand stimulated a huge capital inflow into the country, according to the Bank of Thailand.

A net capital inflow of 34,444 million baht was recorded for September, 20,471 million baht or 146.9 percent higher than the 13,937 million baht in August.

Bank of Thailand spokesman Phisit Li-atham said the positive result of the September 13 general election had boosted the country's image in the eyes of foreign investors, encouraging the capital inflow.

The September result pushed the figure for the third quarter up to 57,539 million baht—the highest for this year. Inflow in the first and second quarters was 47,696 and 37,368 million baht respectively.

In September, capital inflow for securities investment was 7,952 million baht, up 7,063 million baht or 794.48 percent on the figure for August.

Private offshore loans last month totalled 14,880 million baht, an increase of 8,194 million baht or 122.55 percent from August. Deposits in non-resident baht accounts in the month totalled 9,121 million baht 5,982 million baht or 182.47 percent higher than August.

Other items, including direct investment and other types of capital inflow, did not differ greatly from August to September.

Mr Phisit said other economic indicators, including the inflation rate and official reserves, were still positive.

Border Police Continue Pursuit of Narcotics Gang

BK1610033392 Bangkok THE NATION in English 16 Oct 92 p A1

[Text] Border patrol police seized two strategic hillocks close to the jungle base of an armed narcotics-producing group near the Thai-Burmese border as their offensive against the camp continued yesterday, a highly-placed source said.

Troops from the 7th Special Warfare Police Company took control of the areas, codenamed by the Thai forces Hill 800 and Hill 807, at about 11 A.M. without facing resistance from the guerillas of the drug traders, said the source.

Despite the strategic locations of the two hillocks, the Thai forces found no traces of the armed group using the sites as defensive posts, he said.

The source said border patrol police safely reached the hillocks after having cut paths through the jungle to the areas to avoid landmines that could be planted on the old routes used by the drug producers to get past the sites.

Region I Border Patrol Police Commander Pol Maj Gen Sarot Panya yesterday travelled to one of the strategic locations by helicopter and stayed at the field command post there to direct the assault against the narcotics camp, the source said.

Police forces are still advancing toward the base of the drug gang in border jungle in Phetchabun's Kaeng Krajan district after a massive mobilization of troops and weapons for the offensive against the camp began last month.

The attack was planned after an armed unit of the drug-producing group, believed to be remnants of the guerillas of the communist parties of Burma and Thailand, ambushed a nine-man Thai border patrol team on a reconnaissance mission near their base in early August killing five patrolmen.

A source said on Wednesday the armed forces of the gang have avoided confronting the approaching Thai troops and have abandoned some defence outposts around their main base.

Another source said yesterday that it was very unusual that the narcotics producers did not try to prevent the Thai forces from taking over the two strategic hillocks.

"This might be an indication that the group has withdrawn from their base," he said.

Vietnam

John Vessey Interviewed on Visit, MIA Search

BK2010111792 Hanoi Voice of Vietnam in English 1000 GMT 20 Oct 92

[Report on interview with General John Vessey by unidentified station correspondent on MIA issue; date, place not given—portion recorded]

[Text] General John Vessey, special emissary of the U.S. President, left Vietnam after two day's visit to Vietnam. It is the first visit to Vietnam this time, a change encouraging results. [sentence as heard] The MIA issue has almost been positively settled. Our radio has this to say on the issue.

General John Vessey ended his two-day visit to Vietnam, starting from October 17. This is the result of agreements between Vietnamese Foreign Minister Nguyen Manh Cam and Acting Secretary of State Eagleburger and Secretary of Defense Dick Cheney three weeks ago. This shows that Vietnam and the United States have continued their negotiations for the settlement of the MIA issue and bilateral relations.

Before leaving Vietnam, General John Vessey had an interview with our radio correspondent, expressing his elation at the visit.

[Begin John Vessey recording] [passage indistinct] My understanding is that you have the copy of the statement, and I would like to highlight a couple of points from it. [words indistinct] I'd just like to highlight several important points. Your (?desk writer) showed me the fourth paragraph of the statement and I'll just read it for you.

The two sides reached agreement on an important new step which would accelerate results on the POW-MIA issue. The Government of Vietnam informs me, General Vessey, as I have said, [that it is] unilaterally conducting a country-wide search of all archives for documents, photographs, and other materials related to American POW-MIA issues. [end recording]

Spokesman Rejects Charges of Troops in Cambodia

BK2010014692 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 19 Oct 92

[Text] A spokesman of our embassy accredited to the Supreme National Council [SNC] of Cambodia has issued a statement. The statement says:

In a statement on 15 October, the spokesman for the National Army of Democratic Kampuchea [DK] said Vietnam is intensifying its military activities in Cambodia.

The spokesman of the embassy of the Socialist Republic of Vietnam accredited to the SNC of Cambodia is authorized to flatly reject that brazen slander by the DK. Vietnam withdrew all of its forces from Cambodia in September 1989 and has not sent them back since.

This slander against Vietnam by the DK is aimed at covering up its intensified military activities to sabotage the implementation of the Paris agreement. That must be promptly checked.

Radio Welcomes UN Draft Resolution on Cambodia

BK2110113992 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 13 Oct 92

[Commentary by Duong Quang Minh in the "International Topics" program: "Cambodian Peace Process Cannot Be Changed"]

[Text] On 8 October, representatives of ten countries of France, England, the United States, Russia, China, Japan, Germany, Australia, Indonesia, and Thailand held a meeting at the UN headquarters and issued a draft resolution on the peace process in Cambodia. The draft says:

The peace process will be implemented on schedule outlined in the Paris accords on Cambodia whether the Khmer Rouge participates or not. The three major principles mentioned in the draft are:

1. The Khmer Rouge is not excluded from the peace process and negotiations and pressure will be applied for its participation.

2. The peace plan will continue to be implemented. The election in Cambodia will be held next May. The Khmer Rouge may choose to distance itself from the peace process, but it cannot stop the implementation of the Paris accords on Cambodia.

3. The door to the peace process is always open for the Khmer Rouge should it decide to participate.

The draft resolution is a new, correct stance of the world community towards the settlement of the Cambodian issue. The Cambodian issue has consumed a great portion of intelligence, energy, and money not only from the

UN but also from nearly all members of the Paris conference on Cambodia since the convening of the conference in July 1988 and even before that, in 1987, when the two foreign ministers of Indonesia and Vietnam, representing the two nation blocs of ASEAN and Southeast Asia, held talks in Ho Chi Minh City to outline concrete directions for the settlement of the Cambodian issue.

In the present era, the world community of nearly all nations is struggling for peace, security, and social development. It has great capacity to prevent consistent, painful regional problems on this planet, including Cambodia. However, everything is not going smoothly because there are many different opinions and directions on this planet and not all countries are developing in the same manner. Out of their own interest and ambitions, not a few powerful countries are intentionally neglecting legitimate interests of other countries, especially weaker countries.

The non-participation to the peace process in Cambodia of the Khmer Rouge—sometimes they even daringly attack UN Transitional Authority in Cambodia forces and criticize Mr. Akashi, special emissary of the UN secretary general—cannot be described as suicidal and baseless. Understanding that, the public can be positively sure that it is a positive sign when the five permanent members of the UN Security Council and five other countries—Japan, Germany, Australia, Indonesia, and Thailand—decided that the peace process in Cambodia will be implemented as outlined in the Paris accords on Cambodia whether the Khmer Rouge participates or not.

Actually, nobody expects and it is not a good thing to happen when an agreement is not executed by one of its six signatories. The call of 10 countries for the Khmer Rouge to participate in the peace process in Cambodia and the opening of the door for the Khmer Rouge to return to their duty demonstrate necessary and convincing flexibility which is created from a strong, mature, and confident position of the world community in order to correctly implement the Paris accords on Cambodia.

The SRV always wants Cambodia to achieve independence, sovereignty, peace, stability, and prosperity and to live in a friendly atmosphere with its neighboring countries, including Vietnam. Therefore, Vietnam is tirelessly fighting for the strict implementation of the Paris accords on Cambodia. Consequently, Vietnam welcomes the resolution of the 10 countries of England, France, America, Russia, China, German, Japany, Australia, Indonesia, and Thailand, saying that the peace process in Cambodia will not be changed even at the cost of the expulsion of the Khmer Rouge from the process.

Do Muoi Congratulates Jiang Zemin on Election

BK2010160692 Hanoi VNA in English 1502 GMT 20 Oct 92

[Text] Hanoi VNA October 20—General Secretary of the Communist Party of Vietnam Do Muoi today extended congratulations to Jiang Zemin on his election as general secretary of the Communist Party of China. In his congratulatory message, Do Muoi says :

"I am glad to note that since the Sino-Vietnamese summit in November 1991, the relations between our two parties and countries have been normalized and seen new development, to which you have made important contributions.

"I sincerely wish you the best of health and new success in your responsible position, making great contributions to consolidating and developing the traditional friendship between the parties and peoples of Vietnam and China."

Greetings Sent on Anniversary of SRV-Cuba Treaty

BK1810144392 Hanoi VNA in English 1350 GMT 18 Oct 92

[Text] Hanoi VNA Oct. 18—Vietnamese party and state leaders today sent a joint message of greetings to Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee, and president of the state and the Council of Ministers of Cuba, on the 10th anniversary of the Vietnam-Cuba Friendship and Cooperation Treaty.

The message signed by Party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet said:

"In ten years' implementing the treaty, the close solidarity and cooperation between the parties, governments and peoples of Vietnam and Cuba have constantly been strengthened and developed, making important contributions to their national construction and defence".

The message expressed belief that the Vietnam-Cuba cooperation will continue developing in the new stage for the interest of the revolution in each country, and for peace, national independence and social progress in the world.

It also expressed profound and sincere gratitude to the party, state and fraternal people of Cuba for their solidarity and great support to the Vietnamese people over the past decades. "Together with the progressive people in the world, the Vietnamese people resolutely protest against the US blockade against Cuba and violation of its national sovereignty, thereby running counter to the world trend for peace and cooperation", the message stressed.

It wished that the Cuban fraternal people, under the leadership of the Communist Party of Cuba headed by

Fidel Castro Ruz, will successfully implement the resolution of the fourth party congress, overcome all trials and continue advancing.

On this occasion, National Assembly Chairman Nong Duc Manh has also sent greetings to President of the National Assembly of People's Power Juan Escalone Reguera.

Cuban Envoy Hosts Reception

BK2010075292 Hanoi VNA in English 0553 GMT 20 Oct 92

[Text] Hanoi VNA October 20—Ms. Tania Maceira Delgado, ambassadress of the Republic of Cuba to Vietnam, held a get-together here on October 19 on the occasion of the 10th anniversary of the Treaty of Friendship and Cooperation between Vietnam and Cuba (Oct. 19).

Among those present were Truong My Hoa, secretary of the Communst Party of Vietnam Central Committee; Nguyen Cong Tan, minister of agriculture and food industry and chairman of the Vietnamese subcommission of the Vietnam-Cuba Commission for Economic, Scientific and Technological Cooperation; Hoang Bich Son, head of the Commission for External Relations of the National Assembly; and Le Mai, deputy foreign minister.

Speaking at the reception both Ambassadress Tania Maceira Delgado and Minister Nguyen Cong Tan noted that the signing of the treaty marked an important development in the relations of friendship, cooperation and mutual assistance betwee Vietnam and Cuba. They expressed their belief that the cooperative relations between the two countries will further be consolidated and developed in the interests of each country and for peace, national independence and social progress in the world.

Ambassdress Tania Maceira Delgado and Minister Nguyen Cong Tan proposed toasts to the achievements of the Vietnamese people in their process of renovation, and to the Cuban people's achievements in their revolutionary cause.

Conference on Drug Control Master Plan Held

BK1410063392 Hanoi VNA in English 0613 GMT 14 Oct 92

[Text] Hanoi VNA Oct. 14—The groundwork is being laid at a current conference in Hanoi for a master plan to fight drug abuse in Vietnam.

Mr. Hoang Duc Nghi, chairman of the commission for ethnic affairs and mountain regions, told the four-day conference that the country had an estimated 500,000 drug addicts and the problem of opium use and cultivation was growing.

About 1,000 hectares of land is being used for opium poppies, he added.

That estimate would put Vietnam ahead of Thailand but behind Myanmar [Burma] and Laos in terms of estimated opium production, said Mr. William Beachuer, regional director of the United Nations Drug Control Programme (UNDCP), which has been asked to help in drawing up the master plan in question that would take two or three months to complete.

During the conference, which opened on Tuesday, participants from concerned ministries will study the convention and projects of UNDCP as well as the world system for drug control and experiences in other countries in Southeast Asia.

Editorial Cited on Ties Between Deputies, Voters

BK1510140192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Oct 92

[Text] NHAN DAN today carries an editorial entitled: People's Deputies Must Attach Themselves Closely to the People. The editorial says, in part, as follows:

To supervise law enforcement and the implementation of the National Assembly's socioeconomic programs and plans among various state organs, the government demands that the relations of responsibility between National Assembly deputies and voters be strengthened to ensure that the people's will and aspirations can be transmitted to the National Assembly without interruption.

To achieve this, efforts must be made to successfully establish a working system that will enable National Assembly deputies to attach themselves closely to the people. This is necessary to make it easy for the people to air their views and to supervise the activities of every National Assembly deputy.

Meanwhile, all National Assembly deputies must participate actively in reflecting and resolving the people's doubts through various administrative organs. Deputies must quickly overcome shortcomings, including the failure to maintain close contacts with voters in their constituencies, for which some deputies to the previous National Assembly had been criticized by voters.

This term of office of the National Assembly and government is of great significance to the successful implementation of the seventh party congress' resolution.

We believe that the National Assembly will certainly be able to satisfactorily fulfill its heavy duty and to win the support and sympathy of the people as long as its resolutions and all the policies and measures of the government can manifest the aspirations of the people.

Australia

Canberra To Push for Rangoon-Opposition Talks

BK1910073092 Hong Kong AFP in English 0715 GMT 19 Oct 92

[Text] Canberra, Oct 19 (AFP)—Australia will pursue efforts to initiate talks between Burma's military junta and opposition leaders despite Rangoon's initial rejection of the proposal, officials said here Monday.

Foreign Minister Gareth Evans had offered Australia's services as an intermediary during talks with Burmese leaders at the United Nations in New York earlier this month.

Evans said Australia was prepared to act as a go-between at the U.N. for the ruling State Law and Order Restoration Council (SLORC) and the opposition groups - the National Coalition Government of the Union of Burma (NCGUB) and the Democratic Alliance of Burma (DAB).

While the opposition groups reacted favourably to the proposal, government officials said talks could not be held until their opponents agreed to abide by the law.

A Foreign Affairs Department spokesman in Canberra said the government did not see the initial reaction by SLORC to the proposal as closing the door on "talks about talks".

"The proposed talks were presented as an opportunity to make contact with leading opposition figures rather than as a meeting with an alternative government," a spokesman said.

"The Australian government is giving further consideration to possible further steps on the matter."

After further informal contacts with SLORC officials Australia could possibly provide a neutral venue for initial talks, or act as a conduit to convey information between the rival parties, the spokesman said.

However, Australia was not seeking to play a mediating role.

"Mediation is a more formal procedure designed to bring opposing sides closer together on points of substance whereas the Australian proposal was only designed to promote contacts about possible future talks," he said.

Officials believe Australia is well placed to act as an intermediary because of its growing profile in South-East Asia following its role in formulating the Cambodian peace plan.

While Canberra has severely criticised the Burmese junta's human rights record and called for a return to democracy, it has so far pulled back from imposing sanctions on Burma.

The SLORC junta seized power in Rangoon in late 1988 before launching a bloody crackdown on the pro-democracy movement.

Keating Presents Future Trade Options to Parliament

BK1410113492 Melbourne Radio Australia in English 0600 GMT 14 Oct 92

[Text] Australian Prime Minister Paul Keating says Australia would seek to join the regional trade bloc if the Uruguay Round of world trade talks fails. Mr. Keating described the government's future option in a statement to parliament. He said the GATT was entering a new era of uncertainty, including the possibility of failure in the Uruguay Round, which has been stalled for more than five years. Mr. Keating also noted the increasing trend to regionalism in trade institutions. From Canberra (Linda Motrum) reports.

[Begin recording] [(Motrum)] Mr. Keating, in his formal report to parliament on his recent trip to Japan, Singapore, and Cambodia to canvass in the most comprehensive terms yet Australia's future trade options. [sentence as heard] It coincides with the less than encouraging outcome in the latest attempts in Europe to get a breakthrough in the stalled Uruguay Round. Mr. Keating today reiterated that Australia attaches fundamental importance to the multilateral trading system based on the GATT and the Australian Government maintains some hope that a breakthrough might come from EC heads of government talks this Friday and the meeting of key trade ministers over the weekend. But, Prime Minister Keating was today openly canvassing the trade landscape should the Uruguay Round flatly fail and he clearly put membership of the yet to be defined regional trading bloc on Australia's agenda. If the Uruguay Round failed, Mr. Keating said there would remain a vast agenda of reform in agriculture and services trade which should be addressed by some other means.

[Keating] Australia stands ready to consider on its merits, personal membership of any such arrangements that might evolve. As I said in Tokyo, we do not think a western Pacific trade area is a preferred arrangement. But we would certainly seek to join one if the trade policy decisions of the major players left us no better choice.

[(Motrum)] In that case, an important principle for Australia would be to avoid being party to any process that divided the Pacific into trade allies of the United States and those of Japan. The context to all of this, the prime minister noted, was a strengthening trend towards regional, subregional, and bilateral trade arrangements with Mr. Keating envisioning a certain spread east of the European Community. He also stressed the evolution of APEC, the Asia Pacific Economic Cooperation group, as well as moves by the ASEAN nations to set up a free trade agreement and the existence of the North America Free Trade Agreement. Although, as the Uruguay Round nears its end, to quote Mr. Keating, for better or for worse.

[Keating] So the end of Uruguay Round is coming at the same time as Australia is changing profoundly as regionalism becomes more important and also at a time when a new uncertainty has replaced the strategy of the world's biggest economy, the United States.

[(Motrum)] On that front, Mr. Keating again cut his grants [as heard] towards the proposal from President Bush for a series of bilateral trade agreements. Australia had not received a formal proposal, Mr. Keating said, but the issue was of such importance to Australia's trading future that the country could not wait for the full development of President Bush's idea before making its own views known.

[Keating] We must never lose sight of the fact that most of our trade and the fastest growing part of that trade is now with other countries in the Western Pacific. We must also not lose sight of the fact that many of these countries are highly dependent on the United States market. And finally, we must not lose sight of the fact that many of their trade partners are also their trade competitors in third country markets.

[(Motrum)] The prime minister reiterated the government's now constant saying of the need to sharpen the focus on Australia's relations with the Asia-Pacific countries. But [words indistinct] to stress the growth rate Australia places on its relationship with the United States. Determined to draw a trade picture that includes the U.S., Mr. Keating stressed that the reason for Australia's strong promotion of APEC was to embrace both the Western Pacific and the United States. [end recording]

Opposition Urges New Approach to Regional Defense

BK1910121392 Melbourne Radio Australia in English 0803 GMT 19 Oct 92

[From the "International Report" program]

[Text] Australia's opposition coalition has called for a defense approach to the Asia-Pacific which is called Cooperative Regional Defense [CRD]. The opposition defense policy released on Sunday says that while providing for its own defense, Australia must contribute to regional security. The opposition defense spokesman, Alexander Downer, says his new approach to the Asia-Pacific will build day to day defense links. From Canberra, Graham Dobell reports.

[Begin recording] [Dobell] The opposition says that in government it would maintain Australia's 40-year-old defense alliance with the United States while putting a high priority on increasing defense cooperation with Southeast Asia. The policy calls for possible coordinated surveillance work with the ASEAN states and joint purchase of weapons. Defense spokesman Alexander Downer:

[Downer] First of all, we believe very strongly in a concept which we describe in this paper as CRD and what that fundamentally is about is making a quantum leap in the upgrading of Australia's security arrangements with its immediate neighbors. I think many will agree that the Asia-Pacific region as a whole is at the crossroads now where (?there are many practical) choices one is given for the peaceful nature of the region. It can bind together, work together, and in a security sense ensure that that peace remains perhaps for [words indistinct] and that the alternative is that nothing is done. The approach is one of neglect, all doing too little to try and encourage cooperation within the region and as always the dangerous circumstances dramatically change in the years ahead that the region will start to break up.

[Dobell] Mr. Downer said the opposition wants to increase Australian defense capabilities by purchase of airborne early warning aircraft to complement the over-the-horizon radar network being created in northern Australia. The opposition says Australia's coastline and reliance on shipping calls for greatly improved mine sweeping capabilities along with more helicopters to give the army greater mobility. The policy says Australia should invite the United States to make even greater use of Australia's air and naval facilities including an offer for the United States to locate some of its aircraft in Darwin. At the same time, the opposition coalition has quietly dropped its seven-year-old promise to renegotiate or withdraw Australia from its commitment to the South Pacific Nuclear Free Treaty [SPNFT]. The previous coalition policy was that Australia's membership of the nuclear free zone was in conflict with the American alliance. Now, the opposition says any future agreements with America for use of Australian facilities would have to conform to the SPNFT. Mr. Downer put his regional approach in these terms.

[Downer] We place particular interest on Australia's defense relation with the Southwest Pacific, the ASEAN countries, as well as encouraging the United States to retain an active security role in our region and their initiatives and the policy designed to do that. We have to understand that Australia's own security is only ever likely to be threatened if there is a breakdown in the general security arrangements of our own region. CRD is about trying to make sure that that does not happen.

[Dobell] The privately run Australian Defense Association said the opposition policy continues to culture (?a dependence) on allies and relying on long warning time for any threat. But the executive director of the association, Michael O'Connor, said the policy's regional emphasis was welcome.

[O'Connor] I do not think the ASEAN states would be rather pleased with it. It is a much (?formal) commitment of Australian support to the region than we had from the government. I think the government support is there but it has not been articulated in such definite terms.

[Dobell] How was the opposition stating its commitment to Southeast Asia more firmly than the present government?

[O'Connor] I think it is essentially making the statement not only to the ASEAN countries, but also to the Australian community. But the government tends to focus its presentation on simply defense of the Australian mainland and although it does the right thing in respect to the ASEAN countries it does not publicize as much as usual so they talk government to government but it does not talk to the people of the region. [end recording]

Minister Says Economy May Not Reach Growth Goal

BK1110063692 Hong Kong AFP in English 0601 GMT 11 Oct 92

[Text] Sydney, Oct 11 (AFP)—Australia's Minister for Industry and Commerce John Button cast doubt Sunday on his government's ability to achieve its growth target of three percent in the fiscal year ending June 30 1993.

"We gave growth figures in the budget forecasts, I'm not absolutely confident that we will attain those now," said the outspoken Button in a television interview.

However, he said he was optimistic about Australia's economic future although it was, as he put it, "a little bit down the track."

His comments were in response to questions concerning much criticised remarks by Prime Minister Paul Keating last week that Australia came "out of the recession long ago".

Said Button: "The fact is that the Australian economy is growing again, not as far as we would like, but it is growing and I guess that is the point he was trying to make."

The Australian economy was growing again unlike some others such as Britain which was still going backwards, he added.

The government's August budget forecast was for three percent average growth in the fiscal year ending June 30 1993 after rising 0.4 percent in 1991/92.

With labour figures released last week showing unemployment at 10.8 percent, he said improvements in the job market would be slow, based on the advice he received from companies.

"They say that sales are improving, profits are quite good, but that is not yet reflected in their capacity to take on new employees," he said. "I think that is a fair summary of the position across the economy."

The message to Australians at the next election, which must be held by May next year, would be to look to the future.

While the country still faced a hard slog, Australians could have confidence from the painful changes that had been made to make the economy stronger.

Button said Australia's position could be summed up in the words of THE ECONOMIST magazine that "We are not where we ought to be and not yet where we could be, but thank God we are not where we were."

While the conservative opposition is under pressure from sections of industry to abandon a policy of reducing tariffs to negligible levels by the year 2000, Button left the door open for the government itself to make further decreases in tariffs.

"It is very difficult to prognosticate that far ahead about all sorts of industries. But certainly, post-2000, the tariff regime for the automotive industry and other industries will have to be re-examined."

Retracts Statement, Says Targets Attainable

BK1110091692 Hong Kong AFP in English 0741 GMT 11 Oct 92

[Text] Sydney, Oct 11 (AFP)—Australia's Minister for Industry and Commerce John Button changed his mind Sunday after casting doubt earlier in the day on his government's ability to achieve its growth target in the current fiscal year.

Button said in a television interview broadcast in the morning that he was "not absoutely confident" growth figures of three percent forecast in the budget would be attained.

However, he issued a statement later saying Australia was in fact "well placed to meet the budget forecast of three percent economic growth for 1992-93," which ends next June 30.

He said that, based on the national accounts for the June quarter, the economy was growing at 2.5 percent annually.

"It appears growth has been slower than I would have liked in the first quarter of the financial year," he said. "But the pace of growth will increase throughout the year."

The stimulatory effect of the budget and some expenditures announced later to stimulate employment had still to move through the economy, he said, adding: "So I believe the targets will be met."

Button made the comments in the wake of a much-criticised statement by Prime Minister Paul Keating last week that "we were out of the recession long ago."

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